





FACULTY OF ECONOMICS  
AND BUSINESS



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## IDENTIFYING RISKS OF EMPLOYABILITY ENHANCEMENT

Dissertation presented to  
obtain the degree of Doctor in  
Business Economics (PhD)

by

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This research was supported by the Research Fund KU Leuven under Grant OT/11/010 and by the Research Foundation – Flanders under Grant FWO G.0987.12.

## DANKWOORD

Een van die kleine dingen die ik in de voorbije jaren heb opgestoken, is dat vele ‘lezers’ van een doctoraat als dit niet verder raken dan deze pagina. Daarom houd ik er ook aan om van dit stukje een mooie afsluiter van een fantastische periode te maken.

Allereerst wil ik mijn promotoren Anneleen Forrier en Marijke Verbruggen bedanken. Een topteam van promotoren, die met veel inzet, unanimitéit en enthousiasme hebben bijgedragen aan de papertjes van dit doctoraat. Ik wil jullie bedanken voor de vele opportuniteiten op maat, jullie betrokkenheid, zowel binnen als buiten het onderzoek, de toffe tijd ...voor alles. Beste Anneleen, je ben een inspiratiebron, een levensgenieter, een echte avonturier, die me als geen ander wist te motiveren. Dankzij jou heb ik geleerd om steviger in mijn schoenen te staan. Lieve Marijke, je bent een energiek persoon, met een innemende persoonlijkheid en een gevoel voor humor (al lachend zegt Marijke de waarheid), de beste brownie bakker ooit, en je stond altijd voor me klaar. Ondanks dat ik op bepaalde (goed gekozen) dagen je deur plat liep, mocht ik het laatste half jaar doorbrengen in bureau 04.145, recht tegenover die van jou.

Daarnaast gaat mijn dank uit naar mijn commissieleden: Prof. dr. Nicky Dries, Prof. dr. Eva Kyndt, Prof. dr. Beate van der Heijden en Prof. dr. Jos Akkermans. Hartelijk bedankt voor de interesse in mijn werk, de constructieve feedback en beoordeling van het manuscript.

Vervolgens een woord van dank aan de leden van de OT-equipe. Ik wil Nele, Hans en Ellen welgemeend bedanken voor de leerrijke ervaring, de efficiënte vergaderingen op een zonnig terras of met sjaal en handschoenen ...kortom voor de fijne samenwerking. Samen zijn we er in geslaagd om een fantastisch employability project neer te zetten. Ik wil Ellen in het bijzonder bedanken. Ik had dit traject met niemand anders willen doorlopen dan met jou: dagenlang stickers plakken, dataverzamelingstripjes naar Aalbeke, logeerpартijтjes in de Geitstraat, lunchdates, een uitwisseling van zwangerschapssurvival packages, ... Je was geweldig!

Verder wil ik ook nog Isabelle Theys bedanken voor de hulp bij de dataverzameling en het plannen van congressen, de leuke babbels en haar engelengeduld. Je hebt enorm veel betekend voor ons project.

Dank aan de organisaties en de respondenten voor hun deelname (wel 3 keer) aan onze employability scan. Zij hebben dit onderzoek mogelijk gemaakt. Zonder hun medewerking en betrokkenheid zou er geen OT project geweest zijn.

Uiteraard wil ik ook mijn liefvallige collega’s bedanken: Joni, Yanne, Sarah, Giverny, Joost, Jasper, Sky, Sanne, Alissa, Rein, Sophie (2x), Lieven, Barbara (2x), Emma, Elise, Alko, Wouter, ToTran, Marlies, Hans, Tess, Kim, Nicky, Maddy, Caroline, An, Dave, Hannes, Jonas en Koen. De sfeer onder de collega’s was ronduit fantastisch. Joost en Giverny (HOG 01.30), ik zal jullie nooit vergeten. Door jullie ben ik de afgelopen jaren dagelijks met plezier naar het werk gegaan. Joost, je was mijn trouwe vriend, mijn informatiepunt en mijn duwtje in de rug. Ik ben blij dat ik al die tijd in jouw goede gezelschap heb mogen vertoeven. Ik heb zeer veel bewondering voor jou. Giverny, je was mijn ‘schatteke’, mijn troost, en mijn slappe lach. Met jou heb ik liefde en leed gedeeld. Waar Joost en ik dachten dat we jou wat konden bijleren, hebben we ook enorm veel van jou geleerd. Je bent een doorzetter, je doet de dingen met passie, je ziet het leven (vaak) door een roze bril, je staat altijd en voor iedereen klaar en dat maakt van jou een prachtpersoon. Sanne, je bent een topper, de meest grappige persoon die ik ken, een perfectionist, met

legendarische dansmoves, een no bullshit look, maar vooral een maatje voor het leven. Dankzij jou kan ik met goede herinneringen terugblikken naar Canada: rise and shine in de ochtend, of het nu een luxe hotelkamer was of een luguber kamertje boven de seksshop, onze memorabele Afrikaanse dansavond in de regen, de moeder van Bradley Cooper, ... Marliesje, we zijn er geraakt met vallen (multivariate statistics, kapotte kousen in Oslo) en opstaan, een poefje hier, een poefje daar en zo zie je maar na regen komt zonneschijn, of wat het nu maneschijn of rozegeur? Tess, ik zal onze memorabele avond in Oslo niet snel vergeten. Sky en Alissa (HOG 04.145), I enjoyed our conversations about men, babies, family, landlord issues, ... Sky, many thanks for the small gifts that made my day and the tips and tricks about parenting and food. Alissa, bedankt voor de hartverwarmende gesprekken, je eerlijke mening en directe communicatie, I loved it! Een dikke merci aan de Antwerpse HRM collega's: Sophie, Rein, Anneleen, Jasper (ons zonnetje in huis), Emma, Yanne (een oh zo lieve tetterkous), Alissa, Hans (...en de grietjes, ons statistisch wonder), en Wouter.

Daarnaast wil ik ook de leuke bende van de campus Antwerpen bedanken: Tim, Roel, Kathleen, Kristina, Dieter, Yannick, Marjan, Elisabeth, Anna, Maya, Michiel, Wouter, Sara, Edyta, Elena, Nathalie, Raf, Steve, Dirk, Lien, Els, Ed, Carlos, Nico, en alle anderen die zijn gekomen en gegaan. Bedankt voor de amusante personeelsfeestjes, de gezellige lunches in de refter en onze talrijke assistentenuitjes.

Een welgemeende dankjewel aan de collega's van POOLL: Dorien, Kristien, Ellen (2x), Jana, Els, Elisabeth, Nathalie, Anne, ... Bij jullie werd ik steeds met open armen verwelkomd, zowel op congres, tijdens de lunch of in jullie rode zeteltje. Supporteren kunnen jullie als de beste!

Familie en vrienden wil ik bedanken voor de bijdrage die zij vaak zonder het te weten aan dit doctoraat geleverd hebben. Jullie hebben gezorgd voor de nodige afleiding en het amusement. Mama, papa, al 28 jaar lang staan jullie met raad en daad achter mij. Ook de laatste jaren kon ik steeds terugvallen op jullie luisterend oor en steun. Dank je wel voor alles!

In dit dankwoord eindig ik met Geert en mijn kleine bandiet Renée. Geert, jij bent degene die verreweg het meest te verduren heeft gehad tijdens mijn doctoraatsproces. Je was mijn privé-kok, mijn referentiecontroleur, mijn uitlaatklep en mijn boksbal. Je zette me steeds weer met beide benen op de grond. Renée, jij bent het zonnetje in mijn leven. Ik vind het heerlijk om iedere dag weer thuis te komen en jouw ondeugende snoet te zien.

Jill

30/05/2016

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## I. GENERAL INTRODUCTION

In the current labor market, employees' employability (i.e., the likelihood of obtaining and retaining a job in the internal and/or external labor market) is important due to increased job insecurity and less predictable careers (Arthur & Rousseau, 1996; Hall, 2002; Van der Heijde & Van der Heijden, 2006). Employability is repeatedly described as an advantage for both the individual and the organization. On the one hand, employability gives individuals confidence to cope with volatile labor markets and job insecurity (Forrier & Sels, 2003; Vanhercke et al. 2014). On the other hand, an employable workforce is an asset for organizations to boost performance and to enhance flexibility (Van der Heijde & Van der Heijden, 2006). Therefore, it seems in the interest of both individuals and organizations to invest in employees' employability.

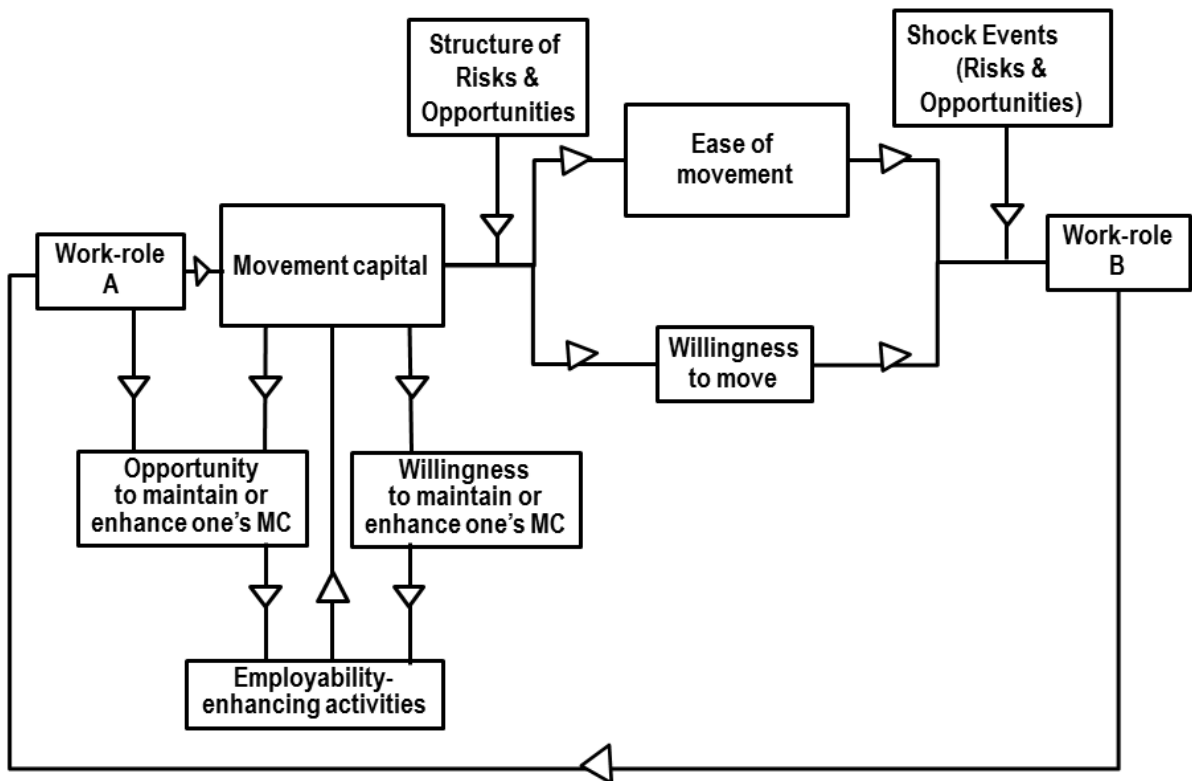
The question how employees' employability can be enhanced hasn't been fully empirically studied however. In the employability literature there is currently a shortage of research that addresses how individuals and organizations can actively stimulate employees' employability. Moreover, much emphasis has been put on the advantages, without considering the risks of employability enhancement for organizations and employees. This PhD aims at filling these gaps. To do so, we will formulate an answer to the following three research questions: (1) who is responsible for employability enhancement?, (2) how can employability be enhanced?, and (3) are there risks associated with employability enhancement?

In the first part of this introduction, we clarify the meaning of the concept employability and describe the general framework that provides insight into the different notions of employability. Secondly, we discuss each research question into more detail.

### **1. The concept employability**

There is no clear consensus on the specific meaning of the concept employability (Brown, Hesketh, & Williams, 2003; Forrier, Verbruggen, De Cuyper, 2015; McQuaid & Lindsay, 2005). The lack of consistency in conceptualization has led some authors to characterize employability research as „fuzzy“ (Gazier, 1998). Roughly, we can divide employability research in input- and outcome-based approaches. While both approaches relate employability to the likelihood of obtaining and retaining a

job in the internal and/or external labor market (Forrier and Sels, 2003, p. 106), the input-based approach puts the emphasis on aspects that increase this likelihood (such as employability competencies or employability-enhancing activities employees can engage in), while the outcome-based approach focuses on outcomes that are associated with this likelihood (such as perceived employability or labor market positions and transitions between them). The employability process model (Figure 1) (Forrier, Sels & Stynen, 2009) describes the main factors that may affect an individual's chance of obtaining and retaining a job in the internal and external labor market and how these factors can interact. The model contains both input-based and outcome-based notions of employability. In what follows, we give a brief description of the model. For an extensive theoretical discussion, we refer to Forrier and Sels (2003) and, Forrier, Sels and Stynen (2009).



**Fig. 1.** The employability process model (Forrier, Sels & Stynen, 2009)

### 1.1. Input-based approaches

Within the input-based approach, a first group of authors looks at knowledge, skills and attitudes, or, more general, competencies to assess employability (e.g., Fugate, Kinicki & Ashforth, 2004; Koen, Klehe, & Van Vianen, 2013; Van der Heijde & Van der Heijden, 2006). Van der Heijde

and Van der Heijden (2006), for example, associate employability with competencies such as occupational expertise or attitudes towards personal development, that can be developed and enhanced. In the employability process model (figure 1), this set of individual characteristics and competencies that influence the chances of mobility in the labor market is referred to as an individuals' movement capital (Forrier, Sels, & Stynen, 2009, p. 742). A second stream of research focuses on the development of this movement capital and studies, for instance, the extent to which individuals are taking part in employability-enhancing activities (cf. figure 1: employability-enhancing activities) such as training, keeping CV up-to-date, networking etc. (e.g., De Vos and Soens, 2008; Sturges et al., 2002; Van der Heijden et al., 2009; van Harten Knies & Leisink, 2016). As the model shows, the extent to which individuals engage in these employability-enhancing activities depends on the one hand on the opportunities they get, such as the HR practices provided by organizations, and on the other hand, on the willingness of the individual to take part in these activities.

### *1.2. Outcome-based approaches*

The outcome-based approach can be grouped in two main categories. A first group assesses employability as individuals' perceptions of the possibilities of obtaining and retaining a job, that is, the individual's beliefs about how easy it is to keep the current job or to find new a job, or, what is often called perceived employability (Berntson, Sverke & Marklund, 2006; De Cuyper et al., 2012; Rothwell & Arnold, 2007, Van den Broeck et al., 2014; Vanhercke et al., 2014; Wittekind, Reader & Grote, 2010). Perceived employability (cf. figure 1: ease of movement) has obvious parallels with the concepts of perceived alternatives (Mobley, Griffeth, Hand, & Meglino, 1979) and perceived ease of movement (March & Simon, 1958) that have attracted scholarly attention in the realm of turnover research until the early 90s. A second group investigates labor market positions (cf. figure 1: work-role A and work-role B) or transitions between positions as indicators of employability. Some authors only look at the probability of being employed (e.g., Forrier et al., 2015; Mancinella, Mazzanti, Piva & Ponti, 2010; Raemdonck, Tillema, de Grip, Valcke, & Segers, 2012). Others include quality indicators: employability is about obtaining or retaining a „decent” (ILO, 2000) or „fulfilling” job (Hillage & Pollard, 1998). Since employability is about the likelihood of obtaining and retaining work, transitions between labor market positions (cf. figure 1: from work-role A to work-role B) were

included into the model. A new position restarts the chain (cf. figure 1: feedback loop) and may in turn influence the other components of the model. For instance, employees carrying out challenging jobs may increase their knowledge and skills (i.e. movement capital).

This PhD focuses on *perceived employability*, which we operationalize as ‘the employee’s perceptions of alternative job opportunities’ (De Cuyper and De Witte, 2008, 2011). Although the label ‘perceived’ employability may be confusing, because other notions of employability also rely on self-perceptions (e.g. Fugate and Kinicki, 2008; Van der Heijde and Van der Heijden, 2006), we continue to use this label, as it is well-established in the literature (e.g. Berntson et al., 2006; Kirves et al., 2013; Rothwell and Arnold, 2007; Silla et al., 2009). In this PhD, we consider perceived employability as the most interesting conceptualization of employability for several reasons (see Vanhercke, De Cuyper, Peeters, & De Witte, 2014 for similar arguments). The first argument is that employability perceptions are important, because behavior, feelings, and thoughts are often affected by the perception of a reality, rather than the reality itself (Katz & Kahn, 1978). For example, individuals who perceive themselves as employable, regardless of how easy or difficult it would be for them to actually find a new job, are likely to have a positive attitude towards employability enhancement (Van Dam, 2004). In this PhD we are particularly interested in career-related behaviors associated with perceived employability, like individual career management and job mobility. In this respect, perceived employability is the most interesting indicator. Seeing opportunities may generate employees’ feelings of control over their career and can give them confidence to take the necessary steps to manage one’s career. Second, perceived employability is an interesting indicator of an individuals’ employability since these perceptions are based on both people’s individual characteristics and competencies as well as on the context, such as the industry (declining or growing), or the organization (possible career paths) they are working for (Berglund & Wallinder, 2016; Berntson et al. 2006). The input-based notions of employability (e. g., Fugate et al., 2004; Van der Heijde and Van der Heijden, 2006), in contrast, put most emphasis on the individual characteristics. Third, only perceived employability explicitly makes a distinction between job opportunities that can be perceived in the internal (i.e. perceived internal employability) and in the external (i.e. perceived external employability) labor market (De Cuyper & De Witte, 2010; Rothwell & Arnold, 2007). This distinction is important since a



successful career is believed to be assured by being employable within the current organization (i.e. internal employability) and with other employers (i.e. external employability) during one's working life. For individuals, the career focus has shifted from one that is internal to the organization to one that includes both an internal and external focus. Therefore, it is essential to identify the factors that may enhance employees' internal and/or external employability. Moreover, perceived employability can account for employees' perceptions of other (perceived quantitative employability) or instead better (perceived qualitative employability) job opportunities (De Cuyper & De Witte, 2008, 2010). This distinction is less relevant for the input-based notions of employability.

## **2. Employability enhancement**

This PhD aims to provide an answer to the following three research questions: (1) who is responsible for employability enhancement?, (2) how can employability be enhanced?, and (3) are there also risks associated with employability enhancement? In what follows, we provide a state of the art of the literature on employability enhancement. We outline the gaps we identified based on these three research questions, and elaborate on how we aim to address them with the three studies of this PhD.

### *2.1. Who is responsible for employability enhancement?*

The question currently under debate is to what extent employees and/or employers are responsible for managing employability. Some contend that the employee and no longer the employer carries most responsibility over his or her employability (e.g. Clarke, 2008; McQuaid & Lindsay, 2005). They argue that individuals need to engage in activities to enhance their potential in the labor market, while employers offer a job for as long as the person is needed. Others, however, claim that employers also have a significant role to play in enhancing individual employability, since organizations still form the context in which learning and careers takes place (e.g. Baruch, 2001; Clarke & Patrickson, 2008; Sturges et al. 2002, 2005). In line with the new psychological contract, organizations are expected to provide opportunities for development, to encourage career-self management of their employees and to offer greater variation in tasks and jobs that may enhance employees' employability (Boom & Metselaar, 2001; Herriot et al., 1997; Rousseau, 1995; Thijssen et al., 2008; van Harten Knies & Leisink, 2016). Consequently, much of the current employability

literature is premised on the belief that employability enhancement should be a joint responsibility between employer and employee (Clarke, 2008; Orpen, 1994). Nevertheless, little empirical evidence exists on the role of both organizations and individuals for employability enhancement (De Vos, Dewettinck, & Buyens, 2009; Sandberg, 2000; Van der Heijde & Van der Heijden, 2006). The first two studies of this PhD will improve our understanding of how individuals and organizations can actively stimulate employees' employability. In the first study, we focus on various ways through which organizations can invest in employability. In particular, we investigate whether development activities, which are largely under the control of the organization, may impact employees' perceived employability. In the second study, we examine whether activities initiated by the employee (i.e. individual career management) and the employer (i.e. organization career management) may enhance perceived employability.

## *2.2. How can perceived employability be enhanced?*

There remains still considerable doubt in research and practice about which employability enhancing activities actually do stimulate employability. Most empirical studies have limited their investigation of employability enhancement to participation in formal off-the-job training, thereby ignoring other forms of employability enhancement (Fleischmann, Kostera and Schippers, 2015; Groot & Maassen van den Brink, 2000; Sanders & De Grip, 2004).

In this PhD, we build on the employability process model (Forrier, Sels, and Stynen, 2009), to identify the factors that may enhance employees' employability. The employability process model recognizes three main ways in which employees' perceived employability can be enhanced: (1) the current labor market position, (2) employability-enhancing activities and (3) the transitions between labor market positions. In what follows, we describe these different forms of employability enhancement in more detail:

The current labor market position. Firstly, an employee's current labor market position may contain various resources that may enhance employees' perceived employability, such as the learning value of the job, the degree of challenge or complexity and the growth in one's job (Billet, 2002; Boerlijst, Van der Heijden & Van Assen, 1993; Holman & Epitropaki, 2001; Van Emmerik, Jawahar, Schreurs & de Cuyper, 2011; McCauley, Ruderman, Ohlott & Morrow, 1994; van Harten et al., 2016).

As such, Van Emmerik et al. (2011) showed that job resources, such as autonomy and feedback, have the potential to provide employees with opportunities for learning and development, which in turn have an influence on their perceived employability. In general, however, the employability research to date has paid little attention to learning and development possibilities of the job itself (Jacobs & Jones, 1995; McCall, Lombardo & Morrison, 1988) and how this may impact employees' perceived internal and/or external employability.

*Employability-enhancing activities.* Secondly, employees can enhance their perceived employability by participating in a broad range of activities or practices (e.g., Smith, 2010; van Dam, 2004). In the literature, we identified up to 20 different activities that individuals may engage in to navigate their career and enhance their employability. The top two reported in research are training and mentoring (Allen & Eby, 2007; Benson, 2006; Groot & Maassen van den Brink, 2000; Lynch, 1991; Ragins & Kram, 2007; Sanders & De Grip, 2004; Van der Heijden, 2002). These activities can be initiated by the organization or the employee his or her self. Organizations can, for instance, stimulate employees' employability by providing employability-enhancing opportunities, like training and networking opportunities, career counselling, providing feedback, self-assessments or performance management, which are positively associated with employability perceptions and attitudes (Boom & Metselaar, 2001; De Vos et al., 2009; Nauta, Van Vianen, Van der Heijden, Van Dam & Willemssen, 2009; Van der Heijden et al., 2009). These initiatives, planned and managed by the organization, have been labelled as organization career management or OCM (Sturges et al., 2002, 2010). If individuals wish to ensure their employability both in the internal and external labor market, they can engage in a range of career-self management behaviors. We can distinguish between activities individuals engage in to remain attractive for their own employer such as networking with influential people within the organization, participating at important projects or drawing attention to their achievements to their boss (e.g. internal employability) and activities to work on their external employability such as monitoring job advertisements, building contacts in areas where they would like to work or keeping one's CV up-to-date (De Cuyper & De Witte, 2011; Chiaburu et al., 2006; Kossek, Roberts, Fisher, & Demarr 1998; Sturges, Guest, Conway & Davey, 2002). Various terms are used to refer to these actions undertaken by employees such as career-self management behaviors, proactive

career behavior, individual career management, etc. (King, 2004; Kuijpers et al., 2006; Sturges, et al., 2002; Seibert, Crant, & Kraimer, 1999). This overview demonstrates the complexity and broadness of activities mentioned in previous research, although limited studies have empirically investigated how participation in different employability-enhancing activities may impact employees' perceived employability in the internal and/or external labor market differently (e.g., Smith, 2010; van Dam, 2004; Verbruggen, Sels, & Forrier, 2007).

*Transitions between labor market positions.* Thirdly, the career literature suggests that there is a path from job transitions (i.e. a change of work content, jobs, departments or organizations) to employability (Lent & Brown, 1994; van Dam, 2003b). Job transitions refer to intra- or inter-organizational transitions that entail a change in organization, function, hierarchical level, department and/or work location (Latack, 1984; Lazarova & Taylor, 2009). Examples of employees' job transitions are lateral job relocations, promotions, a change of occupation, a change of sector, a change of organization, etc. These forms of job transitions can serve as a means of improving employees' employability by providing the employee with new work experiences and development opportunities (Anderson, Milkovich, & Tsui, 1981; Campion et al., 1994; Forrier et al., 2015; Raemdonck, et al., 2012). Moreover, job transitions may help employees to learn more about how to look for a job as well as the type of job opportunities available across occupations (Colakoglu, 2011; Karaevli & Hall, 2006; Zikic & Klehe, 2006). In other words, a job transition results in the development of career-related competencies such as adaptability or self- and labor market awareness (Karaevli & Hall, 2006; Nicholson, 1984). Again, we assume that certain job transitions may increase employees' perceived internal and/or external employability in a different way. Research shows for instance that job rotations (i.e., letting people change jobs/departments within the organization) help people to develop a wider range of skills and competencies, which in turn positively affect the jobs available for them within the organization (i.e. internal employability) (Campion, Cheraskin & Stevens, 1994; London, 1985). Promotions, on the other hand, can act as a signal of a employees ability to other organizations, which may also increase employees' perceived external employability (Trevor, Gerhart, & Boudreau, 1997). Still, research investigating how different types of job transitions may impact employees' internal and external employability remains scarce. The idea of a potential feedback-loop, as shown in

the employability process model (Forrier, Sels & Stynen, 2009), is hardly touched upon by employability scholars. In general research still seems to focus primarily on employability-enhancing activities, such as formal training, and less on employees' transitions between labor market positions (De Vos, Dewettinck, & Buyens, 2009), when addressing employability enhancement.

This PhD aims to shed light on the impact of these different factors on employees' perceived employability. In the first study, we include two employability enhancing activities (i.e., formal on-the-job and off-the-job training), two job design features (i.e., autonomy and skill utilization) and two job transitions (upward and lateral internal job transitions). In the second study, we highlight individual career management (ICM) and organization career management (OCM), which include activities that are aimed at furthering employees' career within the organization (Sturges et al., 2002, 2005; De Vos & Soens, 2008). We aim to clarify how these forms of employability enhancement may differently impact employees' perceived internal and/or external employability.

### *2.3. Are there risks associated with employability enhancement?*

Although previous research pointed at the importance of employability for both employees and employers, some counter indications from research and practice suggest that there are also some potential risks associated with employability, casting doubt on whether or not to enhance employees' employability. Research among HR managers for instance showed that they are often reluctant to invest in employees' employability because they are afraid that employees take their acquired skills to other employers before a return on investment is achieved (e.g., Benson, Finegold and Mohrman, 2004; De Grip, Loo and Sanders, 2004). This dilemma between benefits and costs associated with employability enhancement is often referred to as the management paradox (Van der Heijde and Van der Heijden, 2006). Next, there are indications in the literature that employees with a higher internal employability are more likely to receive support from their organization and invest in their own employability than those with low internal employability. If employability investment indeed depends on the initial employability status, then "the strong ones get stronger and the weak ones get weaker" (i.e. Mathew principle; McCracken & Winterton, 2006), which may increase polarization in the internal labor market between the employable and non-employable employees. Finally, high employability may perhaps increase the risk of a missed job transition, which in turn may negatively

influence their employability in the future (Grant & Schwartz, 2011).

In this PhD, we aim to empirically test these risks among employees through three empirical studies (for an overview see table 1). In our first empirical study, we will develop and test a model that puts the employability paradox in perspective by (1) postulating that the occurrence of the turnover risk is likely to depend on the specific development activity; and (2) testing not only a turnover stimulating path via perceived external employability, but also a turnover reducing path via perceived internal employability. We investigated the impact of six development activities, i.e. formal off-the-job and formal on-the-job training, upward and lateral internal job transitions and skill utilization and autonomy, on actual turnover via both employees' perceived external employability (i.e., perceived alternative job opportunities with other employers) and perceived internal employability (i.e., perceived alternative job opportunities with the current employer).

In the second empirical study, we will examine whether there is a risk of increasing polarization in the internal labor market between the successful and less-successful employees (i.e. Mathew principle; McCracken & Winterton, 2006). We studied reciprocal relationships between two indicators of career success, i.e., career satisfaction and self-perceived internal employability (IE), on the one hand and individual career management (ICM) and organizational career management (OCM) on the other hand.

In the third study, we will examine whether perceiving high employability may increase the likelihood of experiencing a missed promotion. We investigated the reciprocal relationship between perceived internal quantitative (i.e., perceiving many alternative job opportunities with the current employer) and perceived internal qualitative employability (i.e., perceiving better alternative job opportunities with the current employer), on the one hand and a missed promotion on the other hand.

**Table 1.** Summary of the three empirical studies

	<b>Study 1</b>	<b>Study 2</b>	<b>Study3</b>
<b>1. Who is responsible for employability enhancement?</b>	Employee development activities initiated by the organization	Career management activities initiated by the individual and the organization	Promotion decisions made by the organization
<b>2. How can employability be enhanced?</b>	Employability enhancing activities: <ul style="list-style-type: none"> <li>- Formal on-the-job</li> <li>- Formal off-the-job training</li> </ul> Current labor market position: <ul style="list-style-type: none"> <li>- Autonomy</li> <li>- Skill utilization</li> </ul> Transitions between labor market positions: <ul style="list-style-type: none"> <li>- Upward job transition</li> <li>- Lateral job transition</li> </ul>	Employability enhancing activities: <ul style="list-style-type: none"> <li>- Individual career management (ICM)</li> <li>- Organizational career management (OCM)</li> </ul>	Transitions between labor market positions: <ul style="list-style-type: none"> <li>- A missed promotion</li> </ul>
<b>3. Are there risks associated with employability enhancement?</b>	Turnover risk for the organization (i.e. management paradox)	Risk of increasing polarization in the internal labor market between the successful and less-successful employees (i.e. Mathew principle).	The risk that high employability leads to a missed promotion (i.e. missed job transition)

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## II. STUDY 1: EMPLOYEE DEVELOPMENT AND VOLUNTARY TURNOVER: TESTING THE EMPLOYABILITY PARADOX

### **Abstract**

We investigated the impact of six development activities, i.e. formal off-the-job and on-the-job training, upward and lateral internal job transitions and skill utilization and autonomy, on turnover via both employees' perceived external employability (i.e., perceived job alternatives with other employers) and perceived internal employability (i.e., perceived job alternatives with the current employer). We used longitudinal data from 588 Flemish employees collected at two time points. Results showed that only upward job transitions positively influenced voluntary turnover via perceived external employability. Several development activities had a positive influence on perceived internal employability. Yet, perceived internal employability did not influence turnover. On top of its effect on perceived internal employability, skill utilization had an additional negative direct effect on turnover. Overall, organizations should not fear the so-called employability paradox, as only upward job transitions were found to increase the risk of employees leaving the organization while skill utilization decreased the turnover risk.

**Keywords:** training, job transitions, job resources, employability paradox, perceived employability, turnover

## **1. Introduction**

Since organizations increasingly need employees with up-to-date knowledge and skills (Lazarova and Taylor, 2009), employee development is one of the most significant human resource initiatives in today's organizations (Lee and Bruvold, 2003). Employee development allows organizations to enhance labor flexibility, boost performance and create a sustained competitive advantage (e.g. Van der Heijde and Van der Heijden, 2006). In addition, as employers today can no longer guarantee lifelong employment to their employees, they may want to provide their employees development opportunities as a way to enhance their employability in the external labor market (e.g., Baruch, 2001; Van Buren, 2003).

Yet, employee development may also be a risk for employers because it could stimulate turnover, and lead to replacement and training costs (e.g. Shaw, Delery, Jenkins, and Gupta, 1998). Research often showed HR managers' reluctance to invest in employee development because they are afraid that employees take their acquired skills elsewhere before a return on investment is achieved (e.g., Benson, Finegold and Mohrman, 2004; De Grip, Loo and Sanders, 2004). Some organizations even require individuals who followed training to stay a certain length of time with the organizations or otherwise to repay the cost of the training course (Koster, De Grip and Fouarge, 2009).

This dilemma between benefits and costs associated with employee development is often referred to as the management paradox (Van der Heijde and Van der Heijden, 2006) or the employability paradox (De Cuyper and De Witte, 2011). Most studies on the effect of employee development on turnover (Benson et al. 2004; Koster et al., 2009) assume that investing in employee development is likely to stimulate turnover since it may enhance the job alternatives employees perceive in the external labor market (i.e., perceived external employability) (Becker, 1965; Griffeth, Steel, Allen, and Bryan, 2005; Loewenstein and Speltzer, 1997; Lynch, 1991). Yet, the mediating role of perceived external employability, central to the employability paradox, has not been explicitly tested.

We investigate the assumption of the paradox that employee development increases employees' perceived external employability, which in turn induces the turnover risk (Becker, 1965; Loewenstein and Speltzer, 1997; Lynch, 1991). Moreover, we put the employability paradox in



perspective. First, we believe that employee development may also increase employees' perceived internal employability (i.e. the job alternatives employees perceive in the internal labor market), which may induce a retention path (e.g. Kammeyer-Mueller, Wanberg, Glomb, and Ahlburg, 2005; Steel and Landon, 2011). Second, we postulate that the occurrence of the turnover risk is likely to depend on the specific development activity. We believe that only activities with a strong signaling power to potential future employers, such as formal training or job transitions, will positively influence perceived external employability and thus increase turnover (Acemoglu and Pischke, 1999; Benson et al., 2004). Similar but less visible activities, such as on-the-job training, are less likely to impact perceived external employability and thus turnover (Schwab, 1991).

This study thus aims to examine how specific employee development activities are associated with a risk of voluntary turnover by simultaneously investigating a turnover stimulating path via perceived external employability and a retention path via perceived internal employability. The study is based on a two-wave longitudinal sample of 588 Flemish employees.

This study adds to the literature in several ways. First, studies on the employability paradox are scarce and, so far, they have mainly looked at the impact of perceived external employability on turnover intention (De Cuyper, Mauno, Kinnunen, and Mäkikangas, 2011; Griffeth et al., 2005) and did not include actual development activities nor actual turnover (e.g., De Cuyper et al. 2011; Griffeth et al., 2005). To fully grasp the paradox, this study also (1) investigates the impact of development activities on perceived employability and (2) the impact of intentions on actual turnover. The latter is important as many turnover intentions do not materialize (Allen, Weeks and Moffitt, 2005; Griffeth, Hom, and Gaertner, 2000). Second, previous studies on the employability paradox focused solely on perceived external employability and not on perceived internal employability thus ignoring the potential turnover-reducing path induced by development activities. Third, we examine the impact of six development activities: formal off-the-job and formal on-the-job training, upward and lateral internal job transitions and job resources autonomy and skill utilization at the same time, as they have hardly been investigated simultaneously in one research model (e.g., McCauley, Ruderman, Ohlott, and Morrow, 1994; Zaleska and De Menezes, 2007). This approach decreases the possibility of spurious relationships showing up due to correlations between different development activities.

Moreover, this allows us to study which activities induce and which reduce a turnover risk.

By examining a path from employee development to turnover via perceived external and internal employability, we may provide valuable information on which employee development activities may help employee retention and which may increase employee turnover. The results of this study are relevant to organizations wanting to make employee development decisions.

## **2. Literature review and hypothesis**

Organizations can invest in employee development in various ways. We base our choice for developmental activities on the employability literature and more specifically on the employability process model developed by Forrier and colleagues (Forrier, Sels, and Stynen, 2009). The employability process model identifies three main ways to enhance employability: (1) employability-enhancing activities, (2) job transitions and (3) job design features. In this study, we include all three. First, we study two employability-enhancing activities, i.e., formal off-the-job and formal on-the-job training. Offering training opportunities is one of the most obvious ways for organizations to develop employees' skills, knowledge and attitudes (Groot and Maassen van den Brink, 2000; Sanders and De Grip, 2004). Both formal off-the-job and formal on-the-job training can lead to the acquirement of job-related skills (e.g., Aguinis and Kraiger, 2009; Arthur, Bennett, Edens, and Bell, 2003; Birdi, Allan, and Warr, 1997), which was found to predict perceived employability (Wittekind, Raeder, and Grote, 2010). Formal off-the-job training refers to employer-provided classroom-based training. Formal on-the-job training refers to receiving on-the-job guidance to assist learners in performing their job well, such as mentoring or coaching. Second, we include two job transitions: upward and lateral intra-organizational job transitions. Intra-organizational job transitions are an important way of developing employees since they provide employees with new work experiences and opportunities for skill acquirement (Anderson, Milkovich, and Tsui 1981; Campion et al., 1994). This is in line with the vision of Hall (2002), who considers a career to be a lifelong series of development stages. Both upward and lateral intra-organizational job transitions have been found to improve employees' knowledge and skills (Campion et al., 1994; McCauley et al., 1994; Trevor, Gerhart, and Boudreau, 1997). Upward job transition refers to "a rise in rank in an organizational hierarchy", usually indicated by an increase in compensation, responsibility and/or status (i.e. a promotion; Markham et al., 1987 in

Campion et al., 1994, p. 1519). Lateral job transition is usually a change in title or department, without necessarily being compensated in terms of more money and authority (Campion et al., 1994). Lateral job transitions have gained in importance as valid alternatives for the trajectory that focuses on climbing the organizational ladder (Baruch, 2004b). Third, we examine two job design features, and more specifically two job resources: autonomy and skill utilization. Research has demonstrated that job resources can impact employees' opportunities and motivations to grow and improve their abilities (Bakker and Demerouti, 2007; Holman and Wall, 2002; Van Emmerik, Jawahar, Schreurs and de Cuyper, 2011). Both autonomy and skill utilization have been positively related to employee development (McCauley et al., 1994; Van der Heijden et al., 2009). Autonomy refers to "the degree to which the job provides substantial freedom, independence, and discretion to the individual in scheduling the work and in determining the procedures to be used in carrying it out" (Hackman and Oldham, 1980, p. 79). Skill utilization deals with the extent to which employees perceive that their job provides the opportunity for skill use and skill development (Morrison et al., 2005).

Despite evidence that these six activities play a key role in the development of employees, limited studies have empirically investigated how participation in them may impact employees' perceived external and perceived internal employability differently (e.g., McQuaid and Lindsay, 2005; Smith, 2010). This is a noteworthy research gap on the employability paradox since perceived employability is a central component in many models on turnover; either as an incentive in case of perceived external employability, or as a discouragement of turnover via perceived internal employability (e.g. Kammeyer-Mueller et al., 2005; Steel and Landon, 2011). We therefore see perceived employability as the mediating mechanism between employee development and turnover. Figure 2 depicts the research model.



the-job training, they often get a certificate or diploma that will be visible to and desired by other firms (Benson et al., 2004; Lynch, 1991). Similarly, promotions may enhance labor market visibility (Milgrom and Oster, 1987; Schwab, 1991) and can be seen as a signal of one's own talent to others (Salamin and Hom, 2005; Trevor et al., 1997). Finally, lateral job transitions are expected to function as a signal of potential for career advancement and flexibility (Campion et al., 1994; Garavan and Coolahan, 1996), which is highly valued by today's employers (Ito and Brotheridge, 2005; Karaevli and Hall, 2006). These signals may put prospective applicants in front of the 'labor queue' (Thurow, 1972; Schwab, 1991). Employees may therefore perceive these development activities as a powerful signal of their own ability to prospective employers (Acemoglu and Pischke, 1999), which may enhance their perceived external employability. So far, signaling theory was used to explain the positive relationship between employee development and turnover (Benson et al., 2004; Trevor et al., 1997), without explicitly testing whether this relationship is mediated by perceived external employability (Acemoglu and Pischke, 1999; Benson et al., 2004).

*Hypothesis 1a.* Formal off-the-job training is positively associated with perceived external employability.

*Hypothesis 1b.* Upward job transition is positively associated with perceived external employability.

*Hypothesis 1c.* Lateral job transition is positively associated with perceived external employability.

Many theoretical models on turnover have linked employees' perception of job alternatives to turnover intentions. March and Simon (1958), for instance, consider 'perceived ease of movement', i.e. the number of external alternatives employees perceive, as an important aspect shaping employees' turnover cognitions. Similarly, Mobley and colleagues (1979) argue that 'perceived job alternatives': the perceived probability of finding an acceptable job alternative, may influence employees' intention to leave. Perceived job alternatives with other employers may encourage employees to start thinking about leaving the organization. This has been confirmed by empirical studies (De Cuyper et al., 2011; Hom, Caranikas-Walker, Prussia, and Griffeth, 1992; Steel and Griffeth, 1989). Accordingly, we hypothesize:

*Hypothesis 2.* Perceived external employability is positively associated with turnover intention.

*2.2. The retention path via perceived internal employability*

We believe that employee development may also increase employees' perceived internal employability, decreasing their turnover intentions. We expect this specific retention path to occur for all development activities. We build on the idea of attributional theory of HR practices (Nishii et al., 2008) which states that HR activities may induce employee reaction through the meaning employees attach to these activities and their attributions for why these activities exist. In line with this theory, we expect that employees interpret the fact that they can participate in development activities as a sign that the employer values them and wants to invest in them, which is likely to enhance the job opportunities they perceive in their organization and thus their perceived internal employability. Research has argued that participating in development activities contributes to employees' beliefs that the organization sees them as valuable resources and cares about their employability (Eby et al., 2005; Kuvaas, 2008; Lee and Bruvold, 2003; Wayne, Shore, and Liden, 1997). More specifically, participation in formal off-the-job training and on-the-job training signals to employees that they are resourceful and valuable to the current organization (Gaertner and Nollen 1989; Wayne et al., 1997). Also getting opportunities for upward or lateral job transitions may be perceived as evidence that the employer has recognized their good work and their potential to advance (e.g. Benson et al., 2004; Campion et al., 1994; Markham et al., 1987). Finally, perceiving high levels of job autonomy and skill utilization, may send a message to employees that management trusts their competencies and is committed to providing the knowledge and skills needed to remain employable (Tremblay and Roger, 2004; Wang and Netemeyer, 2002). So employees may attribute to all development activities expressions of appreciation, investment and recognition by the organization. These may strengthen employees' beliefs that the employer wants a long-term relationship with them (Eby et al., 2005; Kuvaas, 2008; Lee and Bruvold, 2003) and this may enhance perceived internal employability. This leads to the following hypothesis:

*Hypothesis 3a.* Formal off-the-job training is positively associated with perceived internal employability.

*Hypothesis 3b.* Formal on-the-job training is positively associated with perceived internal employability.

*Hypothesis 3c.* Upward job transition is positively associated with perceived internal employability.

*Hypothesis 3d.* Lateral job transition is positively associated with perceived internal employability.

*Hypothesis 3e.* Autonomy is positively associated with perceived internal employability.

*Hypothesis 3f.* Skill utilization is positively associated with perceived internal employability.

Turnover theorists argue that perceived internal employability may decrease employees' intentions to leave their employer (Kammeyer-Mueller et al., 2005; March and Simon, 1958; Steel and Landon, 2011). Employees who perceive advancement opportunities in their current organization tend to associate more risks or more personal sacrifices with leaving (De Cuyper and De Witte, 2011; Shaw et al., 1998) and may therefore feel less inclined to leave (Mitchell, Holtom, Lee, Sablinski, and Erez, 2001). The negative relationship between perceived internal employability and turnover intention can also be understood through social exchange mechanisms (Blau, 1964). When employees have the impression that their organization offers opportunities for future advancement, they may respond reciprocally with increased loyalty.

Although perceived internal employability is expected to retain employees (e.g., Mitchell et al., 2001; Steel and Landon, 2011), the assertion has rarely been explicitly tested. Only Kammeyer-Mueller et al. (2005) empirically investigated the relationship between perceived internal alternatives and actual turnover, but they failed to find any effect. However, they used a one-item measure only for perceived internal alternatives and did not include turnover intention into their research model. We hypothesize:

*Hypothesis 4.* Perceived internal employability is negatively associated with turnover intention.

### *2.3. Turnover Intention and Actual Turnover*

Intentions to quit are the strongest predictor of actual turnover (Gerhart, 1990; Griffeth et al., 2000; Hom et al., 1992). That intention strongly predicts actual behavior has been elaborated in the

theory of planned behavior (Ajzen, 1991). Van Breukelen, Van der Vlist, and Steensma (2004) applied this theory to the context of turnover. The results verified that employees who are intending to leave the organization are more likely to do so, even when accounting for other variables which can predict turnover, i.e. job satisfaction and organizational commitment (March and Simon, 1958; Mobley, 1977). Other studies demonstrated that behavioral turnover intentions are moderately to strongly correlated with actual turnover (e.g., Mobley, Horner, and Hollingsworth, 1978; Tett and Meyer, 1993). Accordingly, our fifth hypothesis is as follows:

*Hypothesis 5.* Turnover intention is positively associated with actual turnover.

### **3. Method**

#### *3.1. Procedure and Sample*

This study draws on a two-wave longitudinal dataset collected by the Flemish Policy Centre Work and Social Economy. The first data collection (T1) took place in Winter-Spring 2011, the second (T2) one year later. The sample consisted of 4337 individuals representative of the Flemish (Dutch-speaking part of Belgium) working population with regard to age, gender and geographical distribution. At T1, 1518 (employed and non-employed) individuals were interviewed by 65 professional interviewers from a private research office (response rate: 35%). We only included employees in this study (n=1055). At T2, 672 of the 1055 employees participated in the follow-up interview (response rate of 64%). After data cleaning (e.g. checks for double records, impossible values, listwise deletion of the missing data and removing retired employees), the final sample consisted of 588 employees, of which 53.4 % were men. The mean age was 41.72 years (SD = 11.15) and 70.2 % had a full-time job. A small majority (53.7%) were blue collar employees. The majority (70.9 %) worked in services, health sector or in public services.

We performed a drop-out analysis using multiple logistic regression with response at T2 as dependent variable. The explanatory variables, measured at T1, were formal off-the-job training, formal on-the-job training, upward job transition, lateral job transition, autonomy, skill utilization, perceived internal employability, perceived external employability, turnover intention and company size. This drop-out analysis shows no significant difference between respondents and non-respondents at T2 for all variables except for both types of training. Respondents at T2 had participated more often



in formal off-the-job training and formal on-the-job training than non-respondents. Hence, the attrition is not fully random.

### 3.2. Measures

We measured the development activities, perceived internal employability, perceived external employability, turnover intention and organization size at T1 and actual turnover at T2.

*Employee development.* To assess formal off-the-job and formal on-the-job training, we offered the respondents a description and asked them whether they participated in this particular activity in the past year (1: yes; 0: no). Formal off-the-job training was described as ‘training, schooling or a development program’; formal on-the-job training referred to ‘guidance in the exercise of the job’. Job transitions were measured by asking respondents whether they had been promoted or made a horizontal job change (i.e. taking up a new job or role, without gaining any formal promotion) in the past year (1: yes; 0: no). Autonomy and skill utilization were measured with the scales of the Short Inventory to Monitor Psychosocial Hazards (SIMPH; Notelaers et al., 2007). Autonomy was measured with four items scored on a four-point scale, ranging from 1 (‘never’) to 4 (‘always’). An example is ‘I can decide myself how I perform my work’. The Cronbach’s Alpha was 0.78. Skill utilization was measured with a three-item scale scored on a four-point scale which ranged from 1 (never) to 4 (always). An example is ‘Do you learn new things in your work?’. The reliability was 0.72.

*Perceived employability.* Perceived internal employability and perceived external employability were each measured with four-item scales of De Cuyper and De Witte (2010), rated on a scale from 1 (strongly disagree) to 5 (strongly agree). A sample for perceived internal employability is: “I am optimistic that I would find another job with this employer, if I looked for one”. The Cronbach’s alpha was 0.92. The items measuring perceived external employability were comparable except for the reference to “elsewhere” or “another employer”. A sample is: “I am optimistic that I would find another job elsewhere, if I looked for one”. Reliability was 0.95.

*Turnover intention.* Turnover intention was measured with the three-items scale of Jiang and Klein (2002), scored on a five-point scale, ranging from 1 (strongly disagree) to 5 (strongly agree). An example is “I often think about leaving my current employer”. The reliability was 0.90.

*Actual turnover.* To measure actual turnover respondents were asked whether they had left their employer in the past year. If yes, they had to indicate one of several options. Since this study only focuses on voluntary turnover, following options were dummy coded as one: 1) voluntarily started a new job with another employer, as a self-employed person or freelancer, or joined the family business, 2) voluntarily started an educational program, 3) voluntarily became unemployed, 4) voluntarily became inactive. Employees who retired (early) were excluded.

*Control variable.* We included company size as control variable. Formal off-the job, on-the-job training, the opportunity to make an internal job transition, the level of perceived employability, turnover (Guthrie, 2001) and job resources (Skule, 2004) may differ for small and large companies. We coded six categories: 1-9 employees, 10-49 employees, 50-249 employees, 250-499 employees, 500-1999 employees. Organizations with more than 2000 employees were used as the reference category.

### 3.3. Analyses

We followed a two-step procedure, along recommendations by Anderson and Gerbing (1988). In a first step, we conducted Confirmatory Factor Analysis (CFA) in MPLUS to arrive at a measurement model. We tested a structural model with five dependent variables (i.e. autonomy, skill utilization, perceived internal employability, perceived external employability, turnover intention) and compared it with a one-factor model in which all the items loaded on a single factor, a three-factor model with both job resources loading on one factor and both dimensions of perceived employability loading on the same factor, and a four-factor model with both perceived employability variables loading on one factor.

Then we tested our hypothesized model using structural equation modelling in MPLUS. Perceived internal and external employability were allowed to correlate (De Cuyper and De Witte, 2010).

## 4. Results

### 4.1. Measurement Model

Estimation of the measurement model with 18 observed variables (3 skills utilization, 4 autonomy, 4 internal and 4 perceived external employability, and 3 turnover intention items) and 5

latent factors yielded an excellent fit: standardized root mean square residual (SRMR) = 0.03, root mean square error of approximation (RMSEA) = 0.05, comparative fit index (CFI) = 0.97 and Tucker–Lewis Index (TLI) = 0.97 (Bentler, 1990). This five-factor model explained the data better than the other models, supporting the construct validity of the dependent variables (Table 2). All observed variables had significant loadings ranging from 0.55 to 0.93.

**Table 2.** Results of CFA: fit-indices for alternative factor structures

Model	SRMR	RMSEA	CFI	TLI
Proposed five-factor model	0.03	0.05	0.97	0.97
Four-factor model	0.14	0.16	0.67	0.61
Three-factor model	0.15	0.18	0.61	0.55
One-factor model	0.23	0.25	0.23	0.13

#### *4.2. Descriptive Statistics*

The means, standard deviations, and correlations are listed in Table 3. Respondents scored on average higher on perceived external employability ( $m=3.32$ ,  $sd=1.15$ ) than on perceived internal employability ( $m=2.67$ ,  $sd=1.16$ ). Turnover intention was low ( $M=1.54$ ,  $SD=0.90$ ). Apart from autonomy, all the development activities were associated significantly and positively with perceived internal employability. Only promotion correlated significantly with perceived external employability ( $r=0.10$ ,  $p<0.05$ ). Only perceived external employability was significantly and positively correlated with turnover intention ( $r=0.13$ ,  $p<0.01$ ). The correlation between turnover intention and actual turnover was positive ( $r=0.32$ ,  $p<0.001$ ).

**Table 3.** Descriptive statistics and correlations

Variable	M	SD	1	2	3	4	5	6	7	8	9	10
1. Autonomy	2.91	0.76	1									
2. Skill utilization	2.90	0.67	.26***	1								
3. Formal off-the job training	0.57	0.50	.04	.16***	1							
4. Formal on-the-job training	0.39	0.49	.05	.17***	.35***	1						
5. Upward job transition	0.16	0.37	.11**	.12**	.18***	.25***	1					
6. Lateral job transition	0.09	0.29	.01	.07	.08	.13**	.18***	1				
7. Internal PE	2.67	1.16	.05	.17***	.16***	.28***	.26***	.11**	1			
8. External PE	3.32	1.15	.07	.03	-.01	.07	.10*	.00	.22***	1		
9. Turnover intention	1.54	0.90	-.10*	-.31***	-.11**	-.09*	-.06	-.01	-.05	.13**	1	
10. Actual turnover	0.06	0.25	-.02	-.12**	-.13**	.06	.02	.01	-.06	.07	.32***	1

Note: N = 588 individuals

\* $p < .05$

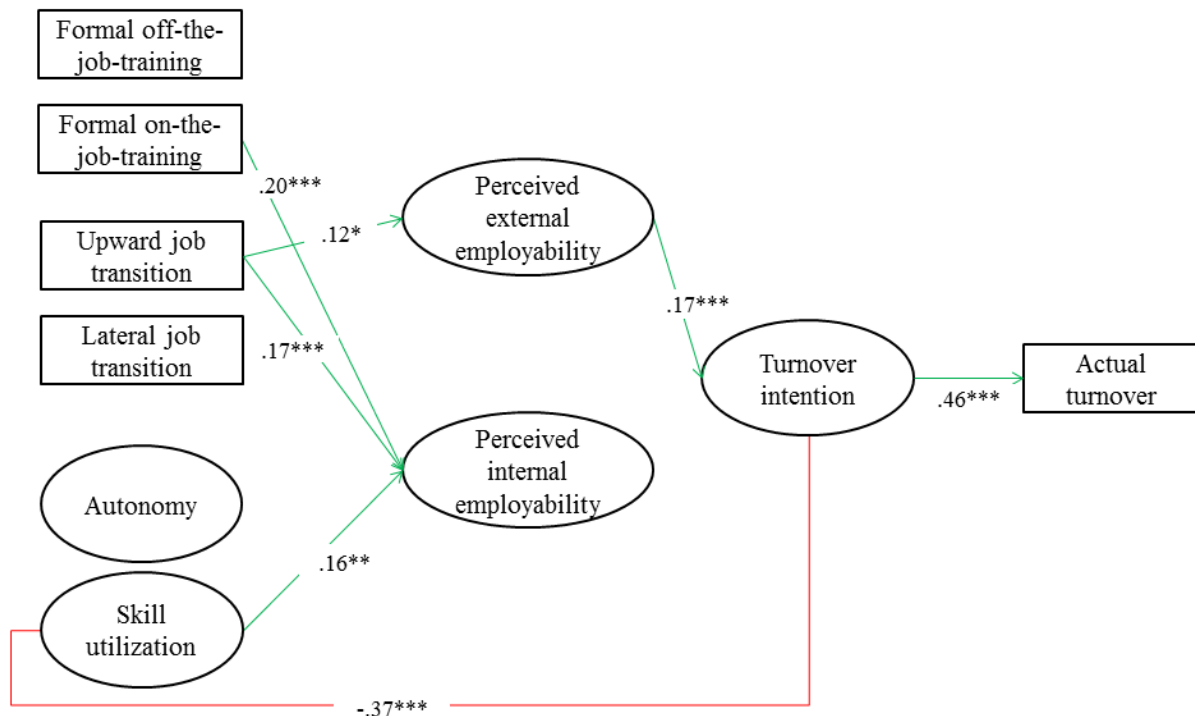
\*\* $p < .01$

\*\*\* $p < .001$

#### 4.3. Structural Equation Modelling

Since our hypothesized model contained binary data, we followed the recommendations by Yu (2002) to use the weighted root-mean-square residual (WRMR; Yu, 2002), the root mean square error of approximation (RMSEA; Browne and Cudek, 1993) and the comparative fit index (CFI; Bentler and Bonnett, 1980). WRMR should be 1.0 or lower (Yu, 2002), RMSEA should be .06 or lower (Hu and Bentler, 1999), and CFI should meet or exceed .90 (Vandenberg and Lance, 2000).

First, we tested the full hypothesized model, including the mediating role of perceived internal employability, perceived external employability and turnover intention. The goodness of fit indices for this model suggested a low fit: WRMR (1.27), RMSEA (0.06) and CFI (0.80). A direct path between skill utilization and turnover intention improved the fit considerably: WRMR (0.95), RMSEA (0.04), and CFI (0.92). The standardized coefficients of the significant relationships for the revised structural model are in Figure 3. We also tested the model where all development activities had an influence on perceived external employability. This resulted in worse fit indices: WRMR (0.93), RMSEA (0.04), and CFI (0.89).



**Fig. 3.** Standardized structural equation modelling results, N=588

\* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$

We hypothesized a positive relationship between formal-off-the-job training, upward job transitions, lateral job transitions and perceived external employability. Only the path from upward job transition to perceived external employability was significant, supporting hypothesis 1b ( $\beta = 0.12$ ,  $p < 0.05$ ). Hypotheses 1a and 1c are not confirmed. Formal-off-the-job training and lateral job transition were not significantly related to perceived external employability.

We expected a positive relationship between all development activities and perceived internal employability. We found a significant positive path from formal on-the-job training ( $\beta = 0.20$ ,  $p < 0.001$ ), upward job transition ( $\beta = 0.17$ ,  $p < 0.001$ ) and skill utilization ( $\beta = 0.16$ ,  $p < 0.001$ ) to perceived internal employability, supporting hypotheses 3a, 3c and 3f. We did not find an effect of formal off-the-job training, lateral job transition and autonomy on perceived internal employability. Hypotheses 3b, 3d and 3e are not confirmed.

In line with hypothesis 2, perceived external employability had a significant positive relationship with turnover intention ( $\beta = 0.17$ ,  $p < 0.001$ ). Perceived internal employability was not significantly related to turnover intention, rejecting hypothesis 4. Additionally, a direct negative relationship was found between skill utilization and turnover intention ( $\beta = -0.36$ ,  $p < 0.001$ ). Finally, turnover intention had a positive relationship with actual turnover ( $\beta = 0.46$ ,  $p < 0.001$ ) which confirms hypothesis 5.

## **5. Discussion**

The present study wanted to explicitly test the employability paradox assuming that employee development presents a risk in the form of increased turnover (De Cuyper and De Witte, 2011; Van der Heijde and Van der Heijden, 2006). We challenged this paradox by (1) presuming both a turnover stimulating path via perceived external employability and a retention path via perceived internal employability, and by (2) proposing that only certain development activities involve a turnover risk.

First, we only found confirmation for the employability paradox for one activity. Upward job transitions related positively with perceived external employability, which induced turnover intentions and subsequently turnover. This suggests that employees perceive an upward job transition as a powerful signal of their external labor market attractiveness. However, we found only a small mediation effect.

Second, we did not find proof for a retention path via increased perceived internal employability. Although formal on-the-job training, upward job transitions and skill utilization associate positively with perceived internal employability, perceived internal employability had no effect on employee turnover intention. The relationship between perceived internal employability and turnover intention may be contingent upon perceived external employability (Trevor, 2001). An employee who perceives better alternatives with other employers, may be impelled to withdraw from the organization, even though s/he also perceives internal job alternatives (Steel and Landon, 2010).

In addition, skill utilization had a direct negative effect on turnover intention. Since skill utilization is among the most powerful predictors of job satisfaction (Humphrys and O'Brien, 1986), it may be strongly related to employee willingness to remain with the firm regardless of perceived external employability (Mobley et al., 1979).

Moreover, not all development activities had the expected impact on perceived employability. First, we did not find a relation between formal off-the-job training and perceived external and internal employability. Perhaps, the impact of off-the-job training depends on the kind and aim of the program. There may be differences between general programs for all employees and tailor-made programs for one employee; or between programs aimed at learning job-specific skills versus competencies which are transferable to other jobs (Clarke and Patrickson, 2008; Sanders and de Grip, 2004). Second, we found no relation between lateral job transition and perceived external and internal employability. Possibly, lateral job transitions cover a wide range of transitions. Although some lateral career transitions may be perceived as leading to future career opportunities, others may rather imply a career plateau (Eby and Dematteo, 2000). Third, the hypothesized relation between autonomy and perceived internal employability did not materialize. Presumably, autonomy may influence perceived internal employability for some, but not for others. For instance, organizations sometimes offer extra autonomy to employees to keep them committed and motivated since no future career opportunities exist (Landau and Hammer, 1986).

### *5.1. Theoretical implications*

This study contributes to the literature in several ways. First, in line with Kammeyer-Mueller et al. (2005) perceived internal alternatives failed to predict turnover. Although turnover theorists

treated these perceptions as a retention-stimulating mechanism for quite some time (e.g., Kammeyer-Mueller et al., 2005; Steel and Landon, 2011), our results suggest otherwise. Maybe the retention effect of perceived internal employability depends on factors such as the employees' career goals, person-job fit or adaptability. Also, different forms of future opportunities, e.g. upward or lateral, may impact turnover decisions differently (Steel and Landon, 2011). Therefore, theoretical refinement and more empirical research is needed around the role of individuals' perceived internal employability in the turnover process.

Second, our results suggest that training opportunities (formal on-the-job training), internal job transitions (upward job transitions) and job resources (skill utilization) matter for employees' perceived employability. Limited studies have empirically investigated how participation in different development activities may impact employees' perceived internal and/or external employability differently (e.g., McQuaid and Lindsay, 2005; Smith, 2010). In accordance with signaling and attributional theories, more development activities influenced perceived internal employability than perceived external employability. So including perceived internal and external employability and employee development activities in future studies may help to understand the process of employability enhancement better.

### *5.2. Practical implications*

Understanding how employee development activities affect employee turnover is important for organizations as the fear for turnover may deter investment in these activities (Benson et al., 2004; De Grip and Sieben 2009).

On the challenging side for organizations, current findings show that upward job transitions positively influence employees' perceived external employability, which increases their turnover. Because these employees are likely to be high performers (Trevor, 2001), their turnover may be dysfunctional for employers. Organizations may want to develop retention strategies for this group. Employers can, for example, focus on strategies that may embed the employee in the organizations, such as flexible work arrangements, mentoring or buddy systems (Mitchell et al., 2001).

On the more positive side, we did find a positive relationship between formal on-the-job training, upward job transition and skill utilization, and perceived internal employability. Although the



latter does not retain employees, investing in development activities that promote perceived internal employability may be beneficial, in particular because it has been related to individual and organizational advantages such as well-being (De Cuyper, Raeder, Van der Heijden, and Wittekind, 2012b), organizational commitment and performance (De Cuyper and De Witte, 2011).

Additionally, organizations should seek to manage employees' skill utilization to retain employees. Job design as a retention strategy has practical value as resources embedded in jobs are relatively easy to change (Van Emmerik et al., 2011).

### *5.3. Limitations and suggestions for future research*

This study has some limitations. First, the use of self-reports may have inflated relationships owing to common method variance. However, SEM with data from two points in time reduces the threat associated with common method variance (Podsakoff, MacKenzie, Lee and Podsakoff, 2003). Second, we were unable to include information on the aim and form of formal off-the-job training and on transition characteristics when predicting perceived employability. Third, the data on development activities, perceived employability and turnover intention have been collected cross-sectionally, making it impossible to establish the direction of causality. Finally, we were only able to control for organization size. Small versus large organizations may face different internal labor market opportunities: Flemish organizations with more than 100 employees are more likely to have a strong internal labor market with possibilities for both lateral and upward transitions, a human resource department and organizational career management practices, such as internal career counselling (Sels & De Winne, 2005).

This study also offers some other interesting avenues for future research. First, it may be relevant to distinguish between quantity and quality of perceived employability (De Cuyper and De Witte, 2011). Upwardly mobile employees will probably only leave the organization when they perceives job alternatives that are better than their current jobs. Second, future research on employability enhancement could adopt multilevel designs to make inferences about the role of the organizational context such as the organizational culture. For instance, when employability enhancing activities are part of an employability culture, employees may be more aware of the impact on their employability (Nauta, Van Vianen, Van der Heijden, Van Dam, and Willemsen, 2009) and this may

strengthen the relationship between developmental activities and perceived employability. Finally, it may be interesting to study the impact of development activities within different external labor market conditions. We expect development activities to correlate more strongly with perceived employability if labor demand is high.

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### III. STUDY 2: CAREER SATISFACTION, INTERNAL EMPLOYABILITY AND INDIVIDUAL AND ORGANIZATIONAL CAREER MANAGEMENT: POLARIZATION IN THE INTERNAL LABOR MARKET?

#### **Abstract**

We investigated whether there is a risk of increasing polarization in the internal labor market between the successful and less-successful employees. This implies that “the strong ones get stronger and the weak ones to get weaker” (i.e., Mathew principle; McCracken & Winterton, 2006). To this end, we examined reciprocal relationships between two indicators of career success, i.e., career satisfaction and self-perceived internal employability (IE), on the one hand and individual career management (ICM) and organizational career management (OCM) on the other hand. First, we expected that employees scoring high on career satisfaction and self-perceived IE invest more in ICM and receive more OCM. Next, we hypothesized that ICM and OCM further promote employees’ future career satisfaction and self-perceived IE. To test our hypotheses, we collected three-wave longitudinal data in eleven Belgian organizations. Results of structural equation modelling showed cross-lagged effects of career satisfaction on one OCM dimension (i.e., development-related OCM practices) and for self-perceived IE on one ICM dimension (i.e., networking behavior) for both Time 1–Time 2 and Time 2–Time 3. These findings suggest that employees who already perceive themselves as successful, engaged more in ICM and receive more OCM, than those who particularly needed it (i.e., low career satisfaction and/or low self-perceived IE). ICM and OCM, however, did not affect employees’ career satisfaction or self-perceived IE. In contrast to findings of previous cross-sectional research, our longitudinal study did not find support for the idea that the gap between strong and weaker profiles in the labor market may widen through ICM and OCM.

**Keywords:** career satisfaction, self-perceived internal employability, individual career management, organizational career management

## **1. Introduction**

Much of the current career literature is premised on the belief that career management within organizations should be a joint responsibility between employees and employers (Clarke, 2008; Orpen, 1994). The underlying assumption is that employees' career satisfaction and employability within the organization will be greater when both individuals and organizations carry out their respective career management roles (Ng, Eby, Sorensen, & Feldman, 2005; Sturges, Guest, Conway, & Davey, 2002). Employees are expected to engage in a range of career-self management behaviors aimed at managing their career within the current organization, such as networking and drawing their boss's attention to their accomplishments (internal individual career management or internal ICM; e.g. Baruch, 2006; De Vos & Soens, 2008; Sturges et al., 2002) and organizations by offering career-development opportunities, like training and networking opportunities (organization career management or OCM; e.g. Clarke, 2008; Eby, Allen, & Brinley, 2005).

ICM and OCM may, however, also comprise a risk. Previous research has shown that particularly managers, older employees and highly educated employees, are more engaging in ICM and receiving OCM (Bozionelos, 2001; Currie, Tempest & Starkey, 2006; Dreher & Dougherty, 1997; Maurer, Weiss, & Barbeite, 2003). These studies strengthen the idea that the strongest profiles are more likely to participate in career management (Singh, Ragins & Tharenou, 2009; Verbruggen et al., 2008). If ICM and OCM indeed depend on the success status of the employee, then the gap between strong and weaker profiles in the labor market may widen (i.e., Mathew principle; McCracken & Winterton, 2006).

This assumption, however, has not been explicitly tested. In this study, we aim to do so. Based on careers theory and research (De Vos & Soens, 2008; Eby, Butts, & Lockwood, 2003; Rosenbaum, 1984; Singh et al., 2009), we focus on career satisfaction and self-perceived internal employability (IE) as predictors and outcomes of the participation in ICM and attainment of OCM. Both career satisfaction and self-perceived IE are used in research to evaluate the success status of employees (e.g., De Vos & Soens, 2008; Eby et al., 2003; McArdle et al., 2007) and both indicators operate as internal frames of reference which individuals take into account when judging their own career success (Carbery & Garavan, 2005). We focus in this study on employees' internal employability,

since this form of employability is likely to be most affected by OCM (Clarke, 2008) and since organizations still form the context in which most careers take place (Baruch, 2001; Eby et al., 2005; Sturges et al. 2002, 2005). We will test the reciprocal relationship between career satisfaction and perceived internal employability on the one hand and ICM and OCM on the other hand using three wave data from 11 Belgian organizations.

This study adds to the literature on career management in several ways. First, we investigate whether career satisfaction and self-perceived IE have lagged impacts on ICM and OCM in a three-wave longitudinal study. Using longitudinal cross-lagged panel designs, this study thus contributes to the literature by investigating career satisfaction and self-perceived IE both as predictors and as outcomes of career management. So far, empirical research on the relationship between ICM and OCM on the one hand and career satisfaction and/or employability on the other hand has been dominantly cross-sectional and has generally assumed OCM and ICM to impact career satisfaction and employability (e.g., Crant, 2000; De Vos & Soens, 2008; Forret & Dougherty, 2004; Ng et al., 2005; Seibert, Kraimer, & Liden, 2001) rather than the other way around. In addition, the longitudinal data also allow to test our hypotheses twice (Time1-Time2 and Time2-Time3).

Second, we contribute to the career management literature by using an integrative approach, examining the role of both individual and organizational initiatives in enhancing employees' career satisfaction and self-perceived IE (Orpen, 1994). While many studies focus on the employee or employer perspective (Lent & Brown, 2006), we include both simultaneously which is in line with the assumption that both individual and organizational efforts contribute to career development (Sturges et al., 2002)

Third, we test the 'Mathew principle' for career management, i.e., the phenomenon that the gap between strong and weaker profiles in the labor market is likely to widen. In that way, we are able to shed light on the risk of increasing polarization in the internal labor market between the successful and less successful employees. If the Mathew principle is confirmed, those who need ICM and OCM the most may not be the ones who engage in it or receive it.

## **2. Literature review and hypotheses**

Employees can manage their career within their current organization by engaging in a range of career-self management behaviors, such as networking with influential people within the organization, participating in important projects or drawing their boss' attention to their achievements (King, 2004; Noe, 1996; Stickland, 1996; Sturges et al., 2002). These actions are referred to as internal ICM (Sturges et al., 2002, 2005, 2010), consisting of networking activities (i.e., building influential contacts at work) and visibility activities (i.e., getting credit for one's achievements at work) (De Vos & Soens, 2008; Sturges et al., 2005).

Organizations can invest in the career of their employees by offering career management opportunities like training and networking opportunities, i.e. OCM (Baruch, 2006; Eby et al., 2005). Based on previous research, we distinguish development-related OCM practices, such as training or feedback, from career-related OCM practices, such as career advice or network opportunities (Kraimer, Seibert, Wayne, Liden, & Bravo, 2011; Sturges et al., 2002). Development-related OCM practices are aimed at building knowledge and skills, whereas career-related OCM practices are directed at developing career insight and strengthening employees network (London, 1988; Sturges, Conway, & Liefoghe, 2010). Sturges and colleagues (2002, 2005) refer to formal OCM and informal OCM respectively.

In this paper, we examine the relationship of internal ICM and OCM with two indicators of career success, i.e., career satisfaction and self-perceived IE. In today's uncertain and unpredictable work context, both individuals' feelings of career satisfaction and their perceptions of employability have become key benchmarks for career success (e.g., Carbery and Garavan, 2005; Eby et al., 2003; De Vos & Soens, 2008). Career satisfaction refers to individuals' feelings of satisfaction and accomplishment with their career (Heslin, 2005; Seibert et al., 2001). Self-perceived IE reflects the employee's perception of available job opportunities with the current employer (Berntson & Marklund, 2007; De Cuyper & De Witte, 2010). While career satisfaction reflects the current evaluation of one's past career accomplishments, self-perceived IE may be seen as a current assessment of one's likelihood to develop a future career within the organization.

### *2.1. From career satisfaction and self-perceived IE to ICM and OCM*

Firstly, we expect that employees who score higher on career satisfaction and self-perceived IE will engage more in internal ICM. This expectation builds on the social cognitive theory (e.g. Bandura, 1986), which states that people are more likely to engage in activities they feel they are capable of (i.e., self-efficacy) or in activities of which the probability of success is high (i.e., outcome expectations).

We assume that career satisfaction implies a sense of career self-efficacy: if employees are satisfied with their current career, the degree to which they believe they are capable of successfully managing their future career will be higher (Betz, 1992; Kossek, Roberts, Fisher, & Demarr, 1998). This career management self-efficacy may then encourage employees with high career satisfaction to actually engage in internal ICM (Bandura, 1986; King, 2004; Parker, 1998). Employees with low career satisfaction may be less inclined to engage in internal ICM because they feel less confident and capable to engage in activities aimed at managing their future career (e.g. Bandura, 1986; Deci & Ryan, 2000). Empirical research on career exploration (Blustein, 1989) already found that individuals who feel confident in making career decisions are more likely to engage in exploration activities, an aspect of ICM.

Next, we suppose that individuals with high self-perceived IE have higher outcome expectations of internal ICM: if individuals see future career opportunities within the organization, they may be more confident about the outcomes of internal ICM (e.g. Bandura, 1986). These outcome expectations may then encourage employees with high self-perceived IE to actually engage in internal ICM. This also aligns with the principle of the Conservation of Resources Theory (Hobfoll, 2001) that individuals with strong resource pools – in this case: high self-perceived IE (De Cuyper, Raeder, Van der Heijden & Wittekind, 2012) – feel in control, and therefore will seek opportunities to further protect and increase these resources (Hobfoll, 2001). Applied to this study, employees' self-perceived IE may induce a sense of control over their career inside the current organization (De Cuyper et al., 2012), which may lead them to take initiatives to further enhance these internal career opportunities (i.e., internal ICM). Empirical work has demonstrated that individuals with optimistic expectations about future events are more likely to pursue desired career goals (Carver & Scheier, 1994). For these

reasons, we expect a positive relationship between both career satisfaction and self-perceived IE, and internal ICM:

*Hypothesis 1.* Self-perceived IE and career satisfaction relate positively to internal ICM.

Secondly, we assume that employees who score higher on career satisfaction and self-perceived IE are likely to get more OCM. This is in line with Turner's (1960) sponsored mobility perspective, which suggests that employers are more likely to provide career support to employees with high career potential (Greenhaus, Parasuraman & Wormley, 1990; Maurer & Chapman, 2013; Ng et al., 2005). Research from the mentoring and careers literature offers support for this assumption. For instance, prior studies on mentoring have found proof for the rising stars hypothesis: employees with strong promotional records and greater opportunities for future advancement are more likely to obtain a mentor than those lacking these attributes (Singh et al., 2009; Allen, 2004; Allen, Poteet, & Russell, 2000). Also career researchers found that employees who do well in the early part of their organizational career are considered to be high-potentials and receive more opportunities for development and networking (Cassirer & Reskin, 2000; Jaskolka, Beyer, & Trice, 1985; Rosenbaum, 1984). This is consistent with the view that organizations use signals from employees' career history when making decisions about sponsorship and special attention (Spence, 1973; Rosenbaum, 1984). Accordingly, we hypothesize:

*Hypothesis 2.* Self-perceived IE and career satisfaction relate positively to OCM.

## *2.2. From ICM and OCM to career satisfaction and self-perceived IE*

We expect internal ICM to enhance employees' career satisfaction. Employees who manage their career more actively are more likely to experience control in their career and should therefore be more satisfied with their career (Raabe, Frese & Beehr, 2007; Seibert et al., 2001). Internal ICM may also influence career satisfaction because it facilitates employees to gain access to relevant information and resources that will help them to narrow the gap between their career aspirations and actual career (e.g. Forret & Dougherty, 2004; Ng et al., 2005; Orpen, 1994). Empirical research has found, for instance, that visibility behavior can improve an individuals' reputation and influence within the organization (De Vos & Soen, 2008; Sturges et al., 2005), which in turn relates to career satisfaction (Judge and Bretz, 1994). Also networking has been found to relate positively to



employees' career satisfaction (Forret & Dougherty, 2004; Wolff & Moser, 2009). This could be because networking leads to a broad network of contacts that provide access to unique organizational information and to resources such as funds, materials, and space (Raider & Burt, 1996). Furthermore, networking offers employees the opportunity for social comparisons to relevant others regarding past career accomplishments (Wolff & Moser, 2009).

In addition, we assume that internal ICM will increase employees' self-perceived IE. By engaging in internal ICM, individuals accumulate career assets, such as adaptability, opportunity awareness, human capital and social capital, that together are likely to increase self-perceived IE (Berntson, Sverke & Marklund, 2006; De Vos & Soens, 2008; Forrier, Verbruggen, De Cuyper, 2015). Empirical work has demonstrated that building interpersonal connections (i.e., social capital), for example, is crucial in shaping individuals' employability perceptions (Eby et al., 2003) since social contacts may provide information about job openings and opportunities for development (Eby et al., 2003; Wittekind et al., 2010). Also visibility behavior may increase self-perceived IE (De Cuyper & De Witte, 2010; Wittekind et al., 2010). Activities such as making the boss aware of one's accomplishments and pushing to be involved in high-profile projects play an important role in shaping others' perceptions and assessment of their career potential (Ferris, Fedor, & King, 1994; Ferris & Judge, 1991). Thus employees who are more visible, may be more easily considered for promotion opportunities. While the abovementioned studies used cross-sectional designs to test the relationship between ICM and career satisfaction or employability, we use longitudinal cross-lagged panel data which allows to test the causal relationship. Based on the above rationale, we formulate our third hypothesis:

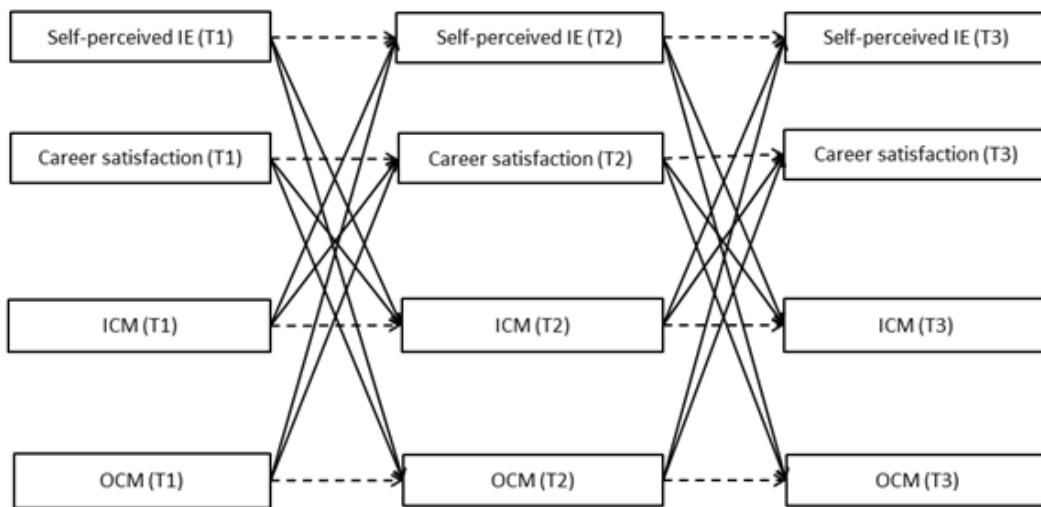
*Hypothesis 3.* Internal ICM relates positively to both career satisfaction and self-perceived IE.

Next, we believe that employees who perceive more OCM, experience higher levels of career satisfaction and self-perceived IE. According to the sponsored-mobility perspective (Turner, 1960), access to organizational sponsorship, like OCM, helps individuals to stand out and eventually obtain better career outcomes (Ng et al., 2005; Orpen, 1994; Seibert et al., 2001; Wayne, Liden, Kraimer, & Graf, 1999). Prior research has found positive associations between separate career management activities, such as mentoring (Allen, Eby, Poteet, Lentz, & Lima, 2004; Turban & Dougherty, 1994) or

training and development opportunities (Ng et al., 2005) and career satisfaction. Also experiencing OCM in general (Orpen, 1994) was positively associated with career satisfaction. Because OCM is relevant for employees to pursue career goals, it is likely to be a significant predictor of career satisfaction (Allen et al., 2004; Heslin, 2005; Lent & Brown, 2006).

Finally, receiving OCM contributes to employees' beliefs that the organization values their contributions and cares about their employability (Eby et al., 2005; Eisenberger, Huntington, Hutchison, & Sowa, 1986; Wayne et al., 1999). As such, OCM has the potential to operate as an external frame of reference that employees use to evaluate their own potential for career advancement within the organization. Receiving OCM may foster employees' perceptions of being valuable to the organization (Eisenberger et al., 1986; Lee & Bruvold, 2003), which may enhance their self-perceived IE. Figure 4 depicts the research model tested in this article.

*Hypothesis 4.* OCM relates positively to both self-perceived IE and career satisfaction.



**Fig. 4.** Hypothesized model

### 3. Method

#### 3.1. Procedure and sample

In the present study we use a three-wave longitudinal dataset, which allows to replicate the effects over time, and makes it possible to test reciprocal models. The data were collected in eleven Belgian organizations. Two organizations belong to the industrial sector, four to the service sector and five to the public sector. In all organizations, access to the pool of workers was facilitated by the

Human Resource Department. Participants could fill in the questionnaire (online or on paper) either at work or at home. The survey was accompanied by a letter from the research team, assuring anonymity and confidentiality. In each wave, up to two reminders were sent.

The first data collection (Time 1) took place between January and March 2013. We sampled 4981 employees, of whom 2782 filled in the questionnaire (response rate of 56%). The second data collection (Time 2) took place between October and November 2013 and the third (Time 3) six months later between April and May 2014. Questionnaires at both Time 2 and Time 3 were sent only to those employees who participated at Time 1. In the second phase, 1227 employees returned a questionnaire, yielding a response rate of 44% relative to Time 1 respondents. In the third phase, a response rate of 36% (n=1001) was obtained. The time lag of six months between the subsequent waves was inspired by de Lange and colleagues (De Lange, Taris, Kompier, Houtman, & Bongers, 2005), who underline the need for longitudinal studies in the domain of work psychology with time lags shorter than one year. A time lag of six months leads to sufficient variation in work characteristics, well-being and career outcomes, while reducing drop out owing to invalid email addresses; a risk that is substantially higher with longer time lags.

The present study is based on the answers of the employees who provided data at all three waves of the study. After eliminating respondents with missing values on at least one of the crucial measures in our current study and selecting those who had at least one year of work experience, we obtained a definitive three-wave sample of 888 employees. The sample consisted of slightly more women (55 %) than men (45 %). The average age was 41 years (SD =10). With regard to the different levels of school education, the majority of the respondents had a bachelor's (35%) or master's degree (33%); 32% held a lower degree. Furthermore, 77% of the respondents had a full-time job and the mean organizational tenure was 12 years (SD=10). Most respondents (84%) were white collar workers.

### *3.2. Drop-out*

We performed two drop-out analyses using multiple logistic regression, one with response at T2 (1: yes, 0: no) and another one with response at T3 (1: yes, 0: no) as dependent variable. The explanatory variables, measured at Time 1 are self-perceived IE, career satisfaction, OCM, internal

ICM, age and gender. Though for most variables, the group of respondents did not differ from the group of non-respondents, we also found some slight differences. In the first drop-out analysis, we found that the respondents scored slightly lower than the non-respondents on internal ICM, more specifically networking behavior, (respectively 2.85 versus 2.96 on a 5-point scale,  $p < 0.01$ ). The participants at Time 2 were also older than the non-respondents (respectively 41.11 versus 40.82 years of age,  $p < 0.001$ ). The second drop-out analysis showed that the respondents of Time 3 scored slightly lower than non-respondents on, for example, development-related OCM (respectively 2.25 versus 2.38 on a 5-point scale,  $p < 0.05$ ). The participants at Time 3 were also a little bit older than the individuals that dropped out (respectively 41.36 versus 40.64 years of age,  $p < 0.001$ ). Although the attrition is not fully random, the analysis did not reveal big differences between the groups.

### 3.3. Measures

All variables were measured at Time 1, Time 2 and Time 3. All responses were on a 5-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree) unless mentioned differently.

*Self-perceived internal employability.* Self-perceived internal employability was measured with a four-item scale of De Cuyper and De Witte (2010). A sample item is: “I am optimistic that I would find another job with this employer, if I looked for one”. The Cronbach’s alpha was 0.91 at Time 1, 0.93 at Time 2 and 0.92 at Time 3.

*Career satisfaction.* Career satisfaction was assessed on a five item scale developed by Greenhaus, Parasuraman and Wormley (1990), such as “I am satisfied with the success I have achieved in my career”. Reliabilities (Cronbach’s alpha) were 0.88 at Time 1, 0.86 at Time 2 and 0.87 at Time 3.

*Internal individual career management (internal ICM).* ICM was measured by the scale developed by Sturges and colleagues (2002). The scale consisted out of 2 subscales. The first scale contains four items and measures internal networking behavior. An example item is “I have talked to senior management at company social gatherings”. The Cronbach alpha coefficients were 0.86 (T1) and 0.87 (both T2 and T3). The second scale measures visibility behavior and consists of 2 items. An example item is “I have made my boss aware of my accomplishments”. The alphas were 0.79 (T1) and 0.80 (both T2 and T3).

*Organizational career management (OCM).* OCM was measured using items developed by Sturges and colleagues (2002). It includes a six-item measure of developmental-related OCM practices (example item: “I have been given training to help develop my career”), and a four-item measure of career-related OCM practices (example item: “I have been introduced to people at work who are prepared to help me develop my career”). The Cronbach alpha coefficients for the developmental-related OCM scale were 0.84 (T1), 0.85 (T2) and 0.86 (T3), and were 0.86 (T1) and 0.87 (both T2 and T3) for the career-related OCM scale.

*Control variables.* Because cross-lagged panel designs control for previous levels of a variable, they eliminate the need to control for demographics such as age and gender (Zapf, Dormann, & Frese, 1996). Yet, when we included gender (0 = male; 1 = female), education level (0 = academic degree; 1 = no academic degree) and age (in years) as socio-demographic control variables, the fit indices became worse and the results remained the same. Therefore the model without control variables was chosen.

### *3.4. Statistical analysis*

Correlational analyses were conducted to obtain more basic insight into the data. To analyze our cross-lagged longitudinal panel design, we used structural equation modelling (SEM) with latent variables run by R-studio. This enables us to draw stronger conclusions regarding causal precedence and stability than do cross-sectional designs (Lang, Bliese, Lang, & Adler, 2011).

The analyses were conducted in two steps (Anderson & Gerbing, 1988). In the first step, we conducted Confirmatory Factor Analysis (CFA) to test for unidimensionality and to examine measurement invariance for each latent variable (self-perceived IE, career satisfaction and each of the internal ICM and OCM dimensions) across the three waves. A measurement model distinguishing six latent variables (i.e., self-perceived internal employability, career satisfaction, networking behavior, visibility behavior, development-related OCM, career-related OCM) was tested and compared with a one-factor model in which all the items loaded on a single factor, a four-factor model with both networking and visibility behavior loading on one factor and both development-related and career-related OCM loading on the same factor, a five-factor model with only development-related and career-related OCM loading on one factor, a five-factor model with only networking and visibility

behavior loading on one factor and a five-factor model with career satisfaction and self-perceived IE loading on one factor. Next, we tested measurement invariance over time (Meredith, 1993), which is necessary to ensure that the meaning of the study variables does not change across measurement moments (cf. Meredith & Horn, 2001; Vandenberg & Lance, 2000). We constructed the best-fitting measurement models from Time 1, Time 2 and Time 3. In the unconstrained model, factor loadings could be different across time. In the constrained model, we set the factor loadings equal across the three waves of data. This time invariant model ensures that the measurement of the latent factors is comparable over time, which facilitates interpretability of the results obtained (Hoyle & Smith, 1994). We evaluated the goodness-of-fit of the unconstrained model and the constrained model with the chi square-difference test. The equality assumption is supported if the chi-square-difference test produced a non-significant loss of fit in the constrained versus the unconstrained model.

In the second step, we specified and analyzed structural models with three time waves to examine the relationships between self-perceived IE, career satisfaction, internal ICM and OCM across time. Three nested structural models were tested and compared: (i) the stability model, which included the autoregressive effects over time of each latent variable and controlled for the influence of covariates (age, gender and education), but no cross-lagged paths; (ii) the full model with reciprocal cross-lagged paths (from self-perceived IE and career satisfaction to internal ICM and OCM, and vice versa) estimated as unequal, resulting in unequal path coefficients, and; (iii) the full model with reciprocal cross-lagged paths (from self-perceived IE and career satisfaction to internal ICM and OCM, and vice versa), estimated as equal, resulting in equal path coefficients (e.g., path from self-perceived IE at T1 to networking at T2, and that from self-perceived IE at T2 to networking at T3). This strategy allows us to test whether the results presented across time lags are consistent or that the strength of effects varies across time. This seems important as the temporal stabilities and cross-lagged relations are often expected not to change substantially over time. In addition, we allowed synchronous correlations between the latent variables in all tested models. Moreover, the error terms of each indicator at T1 were allowed to covary with the corresponding indicator at T2 and T3 and each indicator at T2 was allowed to covary with the corresponding indicator at T3, as is usual in longitudinal structural equation models (Anderson & Gerbing, 1988; Joreskog 1974).

**Table 4.** Descriptive statistics and correlations among the study's variables

	M	SD	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1. Self-perceived IE T1	2.53	0.86	—																
2. Career satisfaction T1	3.50	0.80	.19***	—															
3. ICM networking T1	2.85	0.83	.21***	.25***	—														
4. ICM Visibility T1	3.00	0.88	.12***	.11***	.52***	—													
5. Development-related OCM T1	3.13	0.77	.24***	.39***	.27***	.20***	—												
6. Career-related OCM T1	2.23	0.87	.29***	.29***	.33***	.22***	.67***	—											
7. Self-perceived IE T2	2.44	0.91	.60***	.15***	.15***	.11***	.23***	.24***	—										
8. Career satisfaction T2	3.50	0.76	.15***	.69***	.24***	.13***	.34***	.25***	.22***	—									
9. ICM networking T2	2.88	0.85	.20***	.22***	.72***	.44***	.20***	.28***	.18***	.26***	—								
10. ICM Visibility T2	2.97	0.89	.12***	.13***	.46***	.59***	.17***	.19***	.18***	.20***	.51***	—							
11. Development-related OCM T2	3.08	0.76	.19***	.34***	.21***	.19***	.64***	.48***	.29***	.41***	.26***	.24***	—						
12. Career-related OCM T2	2.18	0.86	.23***	.20***	.29***	.17***	.49***	.64***	.33***	.27***	.31***	.20***	.62***	—					
13. Self-perceived IE T3	2.50	0.90	.54***	.16***	.14***	.09***	.20***	.23***	.64***	.18***	.19***	.14***	.22***	.26***	—				
14. Career satisfaction T3	3.47	0.78	.15***	.68***	.23***	.13***	.33***	.26***	.18***	.76***	.24***	.16***	.36***	.26***	.23***	—			
15. ICM networking T3	2.82	0.86	.21***	.21***	.71***	.42***	.21***	.27***	.20***	.24***	.77***	.45***	.24***	.30***	.23***	.29***	—		
16. ICM Visibility T3	2.95	0.88	.12***	.12***	.43***	.56***	.14***	.17***	.12***	.14***	.46***	.64***	.19***	.17***	.16***	.16***	.51***	—	
17. Development-related OCM T3	3.04	0.78	.19***	.35***	.23***	.19***	.64***	.52***	.26***	.37***	.24***	.19***	.72***	.55***	.29***	.43***	.30***	.22***	—
18. Career-related OCM T3	2.18	0.86	.23***	.21***	.27***	.17***	.49***	.62***	.27***	.24***	.28***	.17***	.49***	.67***	.31***	.30***	.36***	.22***	.64***

\* $p < .05$ \*\* $p < .01$ \*\*\* $p < .001$

For overall model evaluations, we relied on the comparative fit index (CFI), the Tucker–Lewis index (TLI), and the root-mean square error of approximation (RMSEA), and standardized root mean square residual (SRMR) (Covert & Craiger, 2000; Hu & Bentler, 1999). Indications of good model fit are CFI and TLI values larger than .90 (Bentler, 1990), RMSEA and SRMR values respectively below .08 and .10 (Byrne, 2001; Hu & Bentler, 1999). For model comparisons, we relied on the chi-square difference test (Bentler & Bonett, 1980). The chi-square values of two competing and nested models were estimated, and critical values of the chi-square distribution offer a criterion for assessing whether the additional constraints of more complex models offer a significantly improved solution. When a non-significant chi-square difference was found, the model with more degrees of freedom (i.e., the more parsimonious model) was preferred (Bentler & Bonett, 1980).

## 4. Results

### 4.1. Descriptive statistics

Table 4 shows the descriptive statistics and correlations among the key variables in this study. First of all, the respondents expressed moderate self-perceived IE for both Time 1 ( $M = 2.53$ ,  $SD = 0.86$ ), Time 2 ( $M = 2.44$ ,  $SD = 0.91$ ) and Time 3 ( $M = 2.50$ ,  $SD = 0.90$ ). Regarding career satisfaction, they scored slightly higher ( $M_{T1} = 3.50$ ,  $M_{T2} = 3.50$ ,  $M_{T3} = 3.47$ ). Second, on each measurement point the respondents experienced to receive on average slightly more development-related practices than career-related practices (e.g. development-related OCM T1:  $M = 3.13$ ,  $SD = 0.77$ , career-related OCM T1:  $M = 2.23$ ,  $SD = 0.87$ ). Self-perceived IE, career satisfaction, internal ICM and OCM were highly stable, with stability coefficients ranging from .54 to .77. Table 4 further reveals that all variables correlate significantly with each other, both cross-sectionally and across measurement waves. Correlations between the variables were in the expected direction.

### 4.2. Measurement Model

Comparison of the different models at Time 1, Time 2 and Time 3 supported the assumption of six different underlying constructs. Estimation of the measurement model with 25 observed variables (4 items of self-perceived IE, 5 items of career satisfaction, 4 items of networking behavior, 2 items of visibility behavior, 6 items of development-related OCM, 4 items of career-related OCM) and 6 latent factors yielded a good fit for each measurement moment (e.g. Time 1:  $\chi^2(260) =$



3060,807,  $p < .001$ , CFI = 0.92, TLI = 0.91, RMSEA = 0.07, SRMR = 0.01). This six-factor model explained the data better than the one-factor model, the four-factor model and the three five-factor models, supporting the construct validity of the dependent variables. Table 5 shows the results of the CFA for Time 1, Time 2 and Time 3. All observed variables had significant loadings ranging from 0.55 to 0.93.

**Table 5.** Results of CFA: fit-indices for alternative factor structures

Model Time 1	$\chi^2$	df	p	TLI	CFI	RMSEA	SRMR
Proposed six-factor model	3060.807	260	<.001	0.91	0.92	0.07	0.06
Five-factor model_self-perceived IE & career satisfaction	9881.166	265	<.001	0.69	0.73	0.12	0.14
Five-factor model_ICM networking and ICM visibility	3828.673	265	<.001	0.89	0.90	0.08	0.06
Five-factor model_development-related OCM and career-related OCM	4712.108	265	<.001	0.86	0.87	0.08	0.06
Four-factor model	5481.593	269	<.001	0.83	0.85	0.09	0.06
One-factor model	21163.171	275	<.001	0.35	0.40	0.18	0.15
Model Time 2	$\chi^2$	df	p	TLI	CFI	RMSEA	SRMR
Proposed six-factor model	1904.633	260	<.001	0.91	0.93	0.07	0.06
Five-factor model_self-perceived IE & career satisfaction	5600.662	265	<.001	0.72	0.76	0.12	0.13
Five-factor model_ICM networking and ICM visibility	2403.468	265	<.001	0.89	0.90	0.08	0.07
Five-factor model_development-related OCM and career-related OCM	3232.847	265	<.001	0.85	0.86	0.09	0.06
Four-factor model	3729.060	269	<.001	0.82	0.84	0.10	0.07
One-factor model	13322.937	275	<.001	0.35	0.40	0.18	0.15
Model Time 3	$\chi^2$	df	p	TLI	CFI	RMSEA	SRMR
Proposed six-factor model	1750.821	260	<.001	0.91	0.92	0.07	0.06
Five-factor model_self-perceived IE & career satisfaction	2146.793	265	<.001	0.88	0.90	0.08	0.06
Five-factor model_ICM networking and ICM visibility	2932.812	265	<.001	0.83	0.85	0.09	0.06
Five-factor model_development-related OCM and career-related OCM	4981.422	265	<.001	0.71	0.74	0.12	0.14
Four-factor model	3326.021	269	<.001	0.81	0.83	0.10	0.07
One-factor model	11269.298	275	<.001	0.34	0.40	0.18	0.15

#### 4.3. Measurement invariance

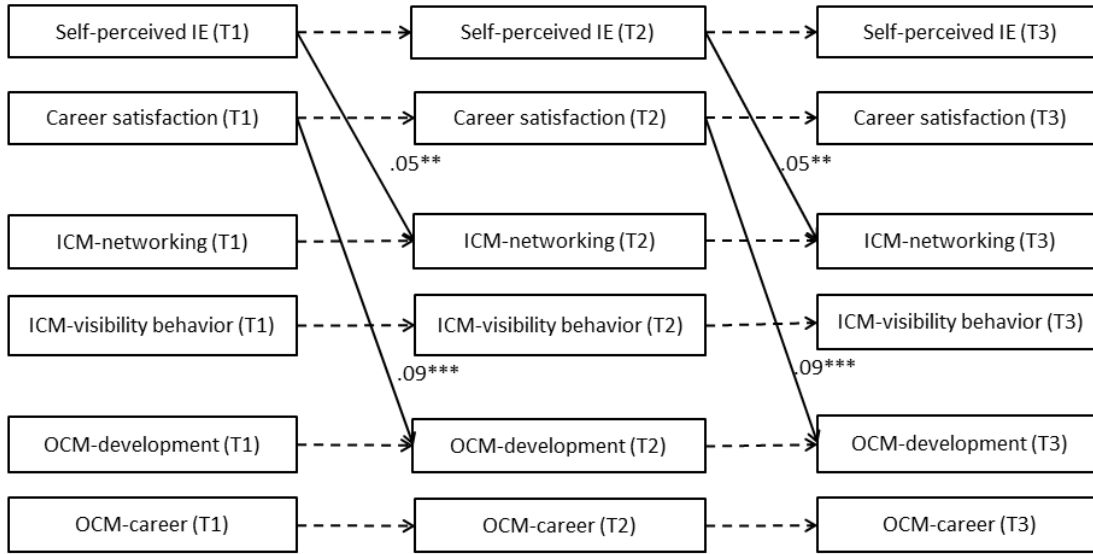
We inspected measurement invariance across time by comparing the unconstrained model with the model in which corresponding factor loadings from Time 1, Time 2 and Time 3 were constrained equal across time. The models combined the best fitting measurement models at all three waves. Measurement errors of the same item at different measurement waves were allowed to covary (Burkholder & Harlow, 2003). The unconstrained model provided an acceptable fit,  $\chi^2(2472) = 5628.674$ ,  $p < .001$ , CFI = 0.980, TLI = 0.930, RMSEA = 0.038, SRMR = 0.061. Setting the loadings of all items equal over time only marginally changed model fit,  $\chi^2(2510) = 5681.108$ ,  $p < .001$ , CFI = 0.980, TLI = 0.931, RMSEA = 0.037, SRMR = 0.061. Yet, the difference between the model

specifying measurement invariance and the model allowing different item loadings at Time 1, Time 2 and Time 3 was less than the cut-off values recommended by Chen (2007;  $\Delta CFI \leq .01$  and  $\Delta RMSEA \leq .015$  for samples sizes larger than 300). Furthermore, the chi-square difference test produced a non-significant loss of fit of the constrained model compared with the unconstrained model ( $\Delta\chi^2 = 52.4346$ ,  $\Delta df = 38$ ,  $p = n.s.$ ). Together, these results provide compelling evidence for measurement invariance over time.

#### *4.4. Structural equation modelling*

In a first step, the stability model was estimated with only autoregressive effects and cross-sectional correlations. This model contains no cross-lagged paths. The fit of this model was adequate,  $\chi^2(2606) = 6072.668$ ,  $p < .001$ ,  $CFI = 0.93$ ,  $TLI = 0.93$ ,  $RMSEA = 0.04$ ,  $SRMR = 0.08$ .

In a second step, the full three-wave model with cross-lagged paths with unequal path coefficients from both self-perceived IE and career satisfaction to internal ICM and OCM and vice versa (as well as autoregressive paths and cross-sectional correlations) was estimated. Results showed that this full model fitted the data better than the stability model ( $\Delta\chi^2(32) = 59.64$ ,  $p < .01$ ). Since cross-lagged relations were expected not to change substantially between the two equal time intervals (T1–T2 vs. T2–T3), we conducted a further chi-square difference test by using the reciprocal causation model with and without equality constraints of cross-lagged paths between time intervals. Results showed that the fit of a model with equality constraints did not significantly deteriorate compared to a model without equality constraints between time intervals ( $\Delta\chi^2(16) = 15.903$ ,  $n.s.$ ). This means that both models statistically fit equally well and that the smaller model with less parameters is to be preferred. The results of the model comparisons are displayed in Table 6. The model with equality constraints, presented in Figure 5, was therefore chosen as our final model.



**Fig. 5.** Standardized path coefficients for the final model.

\* $p < .05$ ; \*\* $p < .01$ ; \*\*\* $p < .001$

**Table 6.** Results of SEM

Model	$\chi^2$	Df	p	TLI	CFI	RMSEA	SRMR	Comparison	$\Delta\chi^2$	$\Delta df$	p
Model 0: stability model	6072.668	2606	<.001	0.93	0.93	0.04	0.08				
Model 1: full model without equality constraints	6013.029	2574	<.001	0.93	0.93	0.04	0.07	M0 vs. M1	59,639	32	<.01
Model 2: full model with equality constraints	6028.932	2590	<.001	0.93	0.93	0.04	0.07	M0 vs M2	43,736	16	<.001
								M2 vs. M1	15,903	16	n.s.

As shown, the paths from self-perceived IE to internal ICM, more specifically networking behavior, were significant ( $\beta = .05$ ;  $p < .01$  from T1 to T2 and T2 to T3), thus partially supporting Hypotheses 1. Furthermore, the results revealed that career satisfaction was positively related to development-related OCM practices ( $\beta = .09$ ;  $p < .001$  from T1 to T2 and T2 to T3) thus partially supporting Hypothesis 2. In contrast, Hypotheses 3 was not supported, as there were no significant effects from any of the internal ICM dimensions to career satisfaction or self-perceived IE. Similarly, no significant relationship was found between the dimensions of OCM and career satisfaction or self-perceived IE. Thus, we reject Hypotheses 4.

## 5. Discussion

The aim of this study was to evaluate whether career management increases the gap between the stronger and weaker profiles in the internal labor market. This risk of increased polarization is also called the Mathew principle (McCracken & Winterton, 2006). To do so, we used a three-wave panel design to examine reciprocal relations between internal ICM and OCM on the one hand, and career satisfaction and self-perceived IE on the other hand.

Our study does not find proof for this Mathew principle in the internal labor market. The results show that employees who are more successful in terms of higher self-perceived IE do engage more in internal ICM (networking) and those who are more successful in terms of higher career satisfaction do receive more OCM (development-related). Yet neither internal ICM nor OCM had an impact on future career satisfaction and self-perceived IE. This contradicts previous cross-sectional findings supporting the influence of ICM and OCM on career satisfaction and self-perceived IE (e.g. Crant, 2000; Ng et al., 2005; Orpen, 1994; Wayne et al., 1999). The findings of our study show that the relationships go in the opposite direction. They challenge the assumption that both forms of career management are crucial for employees to pursue a successful career (Clarke, 2008; Sturges et al., 2005). Career satisfaction and self-perceived IE remain stable over time. Overall, the results question the malleability of career perceptions in the short run (Kirves, Kinnunen, De Cuyper, & Mäkikangas, 2014).

Another important finding is that employees and employers seem to be driven by different motives for implementing career management. Whereas self-perceived IE stimulates employees to engage in internal ICM (networking), career satisfaction increases the likelihood to receive OCM (development-related). So individuals seem to be directed by the opportunities they perceive in the future, while organizations rely more on proven accomplishments in the past. This matches with the theoretical frameworks used in our study: in the social cognitive theory (Bandura, 1986) individual actions are associated with future perspectives (e.g. outcome expectations), and in the sponsored mobility framework (Turner, 1960) organizational investments are linked with the past (e.g. career history).

We found no impact of self-perceived IE on visibility behavior. Perhaps, people's engagement

in visibility behavior is more driven by other factors, such as the need for recognition, than by the hope for a new job (Bolino, Varela, Bande, & Turnley, 2006; Rosenfeld, Giacalone, & Riordan, 1995). Neither did we find an influence of career satisfaction on career-related OCM. While development-related OCM activities are more structured and scheduled by the organization with the explicit aim of encouraging learning, career-related practices are less controlled and often happen spontaneously as a side effect of another activity, and may therefore be less prone to the sponsoring effect.

### *5.1. Practical implications*

The results of this study also have important practical implications. First, it is remarkable that not all employees are equally likely to receive OCM. Especially employees with a successful career history are more likely to receive development-related OCM. By focusing on past accomplishments, organizations may create insiders and outsiders. Employees from the outsiders group may feel to be left out, which gives them few grounds to be committed, or to invest in the current organization in the form of performance (Konrad & Linnehan, 1995; Linnehan & Konrad, 1999). If organizations want to avoid this insider-outsider effect, HR managers need to take a proactive role in encouraging supervisors and higher management to provide OCM not only to successful employees, but to all employees.

Furthermore, our findings may also be useful for career counselors. Our study found that employable employees engage more in internal ICM. Career counselors could intervene by stimulating those employees who feel less employable to engage in activities aimed at managing their own career. They can, for instance, organize several workshops on how to network, develop a career plan or solve career-related problems.

Finally, if organizations want to stimulate career satisfaction and self-perceived IE among their employees, purely offering training or networking opportunities might not be sufficient. Perhaps, it is also important to create an organizational climate supporting career development (Nauta, Van Vianen, Van der Heijden, Van Dam, & Willemsen, 2009).

### *5.2. Limitations and future research*

First, this study is based on survey data with self-report measures. Self-report measures are often associated with self-report bias due to e.g., negative affect. Nevertheless, it might be difficult to

measure internal ICM with methods other than self-reporting. Regarding OCM, however, it would be interesting for future studies to combine employees' self-reports and supervisor-reports. Respondents' experience of OCM may differ from the actual organizational career support employees receive. Future research might want to investigate whether actual OCM exerts similar effects. Second, common method variance may have played a role. However, using SEM as well as three wave longitudinal data significantly reduce the threat associated with common method variance (Podsakoff, MacKenzie, Lee & Podsakoff, 2003). Third, the effects of career satisfaction on development-related OCM and of self-perceived IE on networking behavior were relatively small. This is likely due to the fact that all the concepts studied were relatively stable over time (stability coefficients ranging from .54 to .77), so that most of the variance in the T2 or T3 concepts was explained by their respective T1 or T2 values. However, the fact that our study, even when controlling for baseline variables and with the short time lag of six months, did find significant effects, which were supported by good fit indices, indicates that these relationships are relevant. Fourth, it could be that the time lag of six months was too short for career satisfaction (i.e. employees' evaluation of their entire career) to change, and that therefore the effects of internal ICM and OCM on career satisfaction were underestimated. If indeed it takes more time to convert internal ICM or OCM into higher levels of career satisfaction, changes in career satisfaction are difficult to detect in the time period of six months we used in this study. Finally, we used the career satisfaction scale of Greenhaus and colleagues (1990) that has been found reliable in many earlier studies (e.g. Seibert et al., 2001; Wayne et al., 1999). The scale, however, includes items such as satisfaction with income and promotional history, which are important criteria to assess one's career success, but not the only ones (Heslin, 2005). Heslin (2005) showed, for instance, that some individuals use criteria such as interpersonal relationships, feelings of accomplishment, growth and development, when evaluating their careers. It might thus be possible that internal ICM and OCM encourage other feelings of career success, for instance with regard to employees' own values and aspirations (Nabi, 2000), which may explain why we found no effect of internal ICM and OCM on career satisfaction as measured in our study.

This study also offers some other interesting avenues for future research. First, as OCM capture a wide range of activities, such as receiving a training, a mentor or even career advice, it was

impossible to pinpoint the particular activities that affect career satisfaction and self-perceived IE. Additional research is needed to better understand the influence of specific organizational initiatives in more depth. Second, since our study only focused on the internal labor market, future research may also want to investigate whether career management by the employee and the organization influences employee's self-perceived employability in the external labor market. Third, in order to properly address the topic of the appropriate time lag, researchers should better use different time lags for testing the relationships between ICM, OCM and career satisfaction (De Lange et al., 2005). Fourth, researchers should also attempt to delineate exactly how self-perceived IE is related to internal ICM. We didn't explicitly test whether employees with high self-perceived IE are actually more confident about the outcomes of internal ICM. Accordingly, it could be interesting for future research to measure which outcomes employees expect from engaging in internal ICM. Fifth, it also remains unclear why employees with more career satisfaction receive more OCM. To shed light on this issue, future research could assess supervisors' perceptions about employees' career success and future potential in order to examine whether this leads to more OCM. Lastly, the fact that self-perceived IE was only found to affect networking behavior and not visibility behavior further suggests that there are specific underlying mechanisms leading to each of the ICM dimensions. These results show that it is important for future studies to distinguish between different types of ICM behaviors.

### *5.3. Conclusion*

This study questions the Mathew principle and tests the assumption that career management increases the gap between weaker and stronger profiles in the internal labor market (McCracken & Winterton, 2006; Singh et al., 2009). Whereas ICM and OCM depend on the success status of the employee (i.e. career satisfaction and self-perceived IE), both ICM and OCM are in the short term not likely to further increase this success. The risk of increasing polarization in the internal labor market based on the career success of employees does not seem to exist, at least not in the short run.

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#### IV. STUDY 3: PERCEIVED INTERNAL QUANTITATIVE AND QUALITATIVE EMPLOYABILITY AND THE RISK OF A MISSED PROMOTION

##### **Abstract**

We investigated the reciprocal relationship between perceived employability and experiencing a missed promotion. Research to date has generally focused on the link between perceived employability and actual job transitions, showing that employees who have a high perceived employability are more likely to make a job transition, which in turn enhances their perceived employability. In this study, we suggested that the relationship between perceived employability and job transitions may be more complex. In particular, we expected that high perceived employability may also enhance the likelihood of experiencing a missed promotion; which in turn may decrease one's future perceived employability. In addition, we expected these relationships to be stronger when the employee considers the missed promotion to be a negative experience (which we label missed promotion/negative). Hypotheses were tested for both perceived internal quantitative and perceived internal qualitative employability using two-wave longitudinal data with employees from nine Belgian organizations. Results of structural equation modelling showed that employees with high perceived internal quantitative employability were less likely to experience a missed promotion/negative, whereas employees with high perceived internal qualitative employability were more likely to experience a missed promotion/negative. A missed promotion/negative, in turn, reduced employees' perceived internal quantitative and qualitative employability. Implications of our findings are discussed.

**Keywords:** perceived internal quantitative employability, perceived internal qualitative employability, a missed promotion

## 1. Introduction

In the past few years, perceived employability and job mobility – two important employability-indicators (Forrier & Sels, 2009; Forrier, Verbruggen & De Cuyper, 2015) – have received increased research attention due to the more turbulent and less predictable nature of careers (Arthur & Rousseau, 1996; Hall, 2002; Van der Heijde & Van der Heijden, 2006). Perceived employability refers to an individual's perception of job opportunities within the current organization or elsewhere (De Cuyper, & De Witte, 2010, 2011) and is believed to be increasingly important in today's career era as it can provide employees with a sense of employment security (De Cuyper & de Witte, 2011). Job mobility refers to behavior of actually switching jobs, either within the internal or external labor market, and can be considered as a proof of an individual's ability to secure employment (e.g., Mancinella, Mazzanti, Piva, & Ponti, 2010; Raemdonck, Tillema, de Grip, Valcke, & Segers, 2012). In general, perceived employability is believed to stimulate job mobility. Seeing opportunities may motivate individuals to pursue these opportunities and can give them confidence to take the necessary steps. Job mobility, in turn, is believed to give a boost to one's perceived employability. Individuals who succeeded to make a job transition are likely to feel more confident about their job opportunities and may hence have a higher perceived employability (Forrier et al., 2009; Forrier, Verbruggen & De Cuyper, 2015). Research to date has indeed found that individuals with high perceived employability are more likely to make a job transition (De Cuyper, Mauno, Kinnunen, & Mäkikangas, 2011; De Cuyper, Van der Heijden, & De Witte, 2011; Jiang, Liu, McKay, Lee, & Mitchell, 2012, Forrier et al., 2015), and that making a job transition in turn positively influences employees' perceived employability (Forrier, et al., 2015). Research so far thus seems to stress the positive value of perceived employability for successfully changing jobs.

In this study, we argue, however, that our understanding of the relationship between perceived employability and job mobility remains limited. Research so far has mainly focused on how perceived employability relates to actual job transitions but thereby neglected the link with *missed* job transitions, i.e. anticipated or desired job transitions which are not realized.



Based on the research findings on the reciprocal relationship between perceived employability and job transitions, one could suggest that employees with low perceived employability are more likely to experience a *missed* job transition which then negatively influences their future perceived employability. However, an opposite assumption could be that employees with high perceived employability are more likely to expect a job transition, and that these higher expectations may increase the risk of experiencing a missed job transition. In that case, perceived employability involves the risk of getting disappointed, which in turn may negatively influence perceived employability in the future. The purpose of the present study is thus to provide greater clarity in the reciprocal relationship between perceived employability and a *missed* job transition.

We focus in this study on one specific form of a *missed* job transition, namely a missed promotion (Boss & Sims, 2008; Seibert, Kraimer, Holtom, & Pierotti, 2013). Investigating the role of a missed promotion seems particularly important in organizational contexts where opportunities for advancement in terms of moving up the hierarchical ladder within organizations are becoming less common (Kaplin & Ferris, 2001). Lean organizations with flatter hierarchies, organizational restructuring and downsizing, have resulted in more employees competing for fewer, but still highly valued, promotion opportunities (Baruch, 2004; Lee, Burch & Mitchell, 2014). Since promotions are indivisible (i.e., only a small percentage of employees can be awarded a promotion), more employees who anticipated a promotion, may not get it (Kaplin & Ferris, 2001; Lam & Schaubroeck, 2000). So far, the antecedents of a missed promotion and its impact on employees' self-evaluations has received limited research attention (Lam & Schaubroeck, 2000).

In this study, we are particularly interested in the extent to which a missed promotion is affected by and affects employees' perceptions of job opportunities with the current employer (i.e. perceived internal employability). We focus on employees' internal employability, since internal employability is likely to influence employees' advancement aspirations within the current organization (De Vos & Soens, 2008; Spindler, 1994), and may therefore affect the risk of – and be affected by the experience of – a missed promotion. Furthermore, we make a distinction between other and better job opportunities,

respectively referred to as perceived internal quantitative versus qualitative employability. Perceived internal qualitative employability accounts for the quality of perceived job opportunities, and is therefore expected to be more strongly related to employees' promotion expectations and hence the risk of missing one. Finally, we take into account how people experience their missed promotion. Although a missed promotion is generally seen as a negative career event (Burton, Holtom, Sablinski, Mitchell, & Lee, 2010), it is likely that some individuals experience it in a neutral or even positive way (e.g., they understand why someone else has received the promotion). Since negative events are much more salient and impactful on individuals feelings and behaviors than are positive events (e.g., Baumeister, Bratslavsky, Finkenauer, & Vohs, 2001; Larsen & Ketelaar, 1991; Oishi, Diener, Choi, Kim-Prieto, & Choi, 2007), we distinguish between missed promotions that employees experience in a negative way - i.e., a missed promotion/ negative - and missed promotions that are not experienced in a negative way - i.e., a missed promotion/ not negative.

We will test the reciprocal relationship between, on the one hand perceived internal quantitative and perceived qualitative employability and, on the other hand, a missed promotion/negative and a missed promotion/not negative using a two-wave sample of 934 Belgian employees.

This paper makes several contributions to the literature on employability and missed promotions. First, as far as we are aware, this study is one of the first to address the antecedents of a missed promotion. By examining the influence of perceived employability on a missed promotion, this paper provides insight into the research question 'who is more likely to miss a promotion?'. Second, in contrast to previous research focusing on the relationship between perceived employability and job transitions (Forrier et al., 2015; Thijssen, Van der Heijden, & Rocco, 2008; Van der Heijden, De Lange, Demerouti, & Van der Heijde, 2009) or career success (De Vos, De Hauw & Van der Heijden, 2011), we relate perceived employability to a *missed* job transition, and more specifically a missed promotion. In that way, we are able to shed light on the potential risks associated with perceived employability. Third, by investigating the influence of a missed promotion on perceived internal employability this paper provides relevant information for researchers and practitioners about the extent to which distinguishable career

events can impact employees' future career perspectives within the organization. Fourth, we adopt a broader view on perceived internal employability, accounting for both the quantity and quality of job opportunities. Previous studies have mostly focused on perceived internal quantitative employability (e.g., Rothwell & Arnold, 2007; Sanders & De Grip, 2004). Finally, we approach a missed promotion in a more nuanced way by taking into account how employees experienced this non-event, i.e. distinguishing between a missed promotion/negative and a missed promotion/not negative. Research that takes this evaluation into account is scarce (see Burton et al., 2010 for an exception).

## **2. Literature review**

### *2.1. A missed promotion*

A missed promotion can be defined as the subjective idea of an individual that he or she has not received an expected or desired promotion (e.g., Lam & Schaubroeck, 2000; Schwarzwald, Koslowsky & Shalit, 1992; Seibert, Kraimer, Holtom, & Pierotti, 2013). So only employees who initially thought they deserved a promotion, expected, pursued or competed for a promotion, are able to miss a promotion (Lam & Schaubroeck, 2000; Schwarzwald, Koslowsky & Shalit, 1992; Schaubroeck and Lam, 2004).

So far, the antecedents of a missed promotion have received limited research attention. The few existing studies on missed promotions mainly look at its outcomes. These studies have showed that a missed promotion has important consequences for both the individual and the organization such as lower organizational commitment, job performance and career satisfaction, and higher withdrawal intentions, turnover, and absenteeism (Souza, 2002; Igarria & Greenhouse, 1992; Johnston, Griffeth, Burton, & Carson, 1993; Lam & Schaubroeck, 2000; Quarles, 1994; Schaubroeck and Lam, 2004; Schwarzwald, Koslowsky, & Shalit, 1992). Moreover, when high expectations are combined with a lack of success, employees' self-image can be threatened (Lam & Schaubroeck, 2000; Stouffer, Suchman, DeVinney, Star, and Williams, 1949). Although it is recognized in the literature that self-evaluations play a key role in understanding a missed promotion (Lam & Schaubroeck, 2000), this has hardly been investigated. This

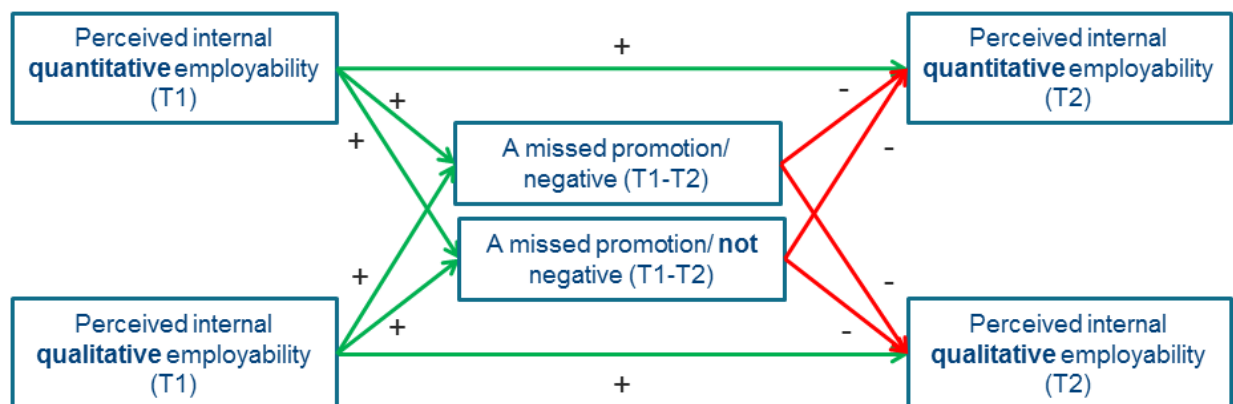
study fills these gaps by examining two specific self-perceptions, i.e., employees' perceived internal quantitative and qualitative employability, as both antecedents and outcomes of a missed promotion.

## 2.2. Perceived internal quantitative and qualitative employability

Perceived internal employability refers to the individual's perception of job opportunities inside the current organization (Vanhercke, De Cuyper, Peeters, & De Witte, 2014). It reflects employees' current evaluation of one's possibilities to get a new job within the organization. In the literature, a distinction is made between other or instead better job opportunities, referred to as perceived internal quantitative versus qualitative employability, respectively (De Cuyper and De Witte, 2011). High internal quantitative employability implies that employees see many *other* job opportunities with their current employer, whereas high internal qualitative internal employability means that employees see many *better* job opportunities with their current employer. While perceived internal quantitative employability may generate a sense of job security, perceived internal qualitative employability provides employees with career advancement prospects (Vanhercke et al., 2014; De Cuyper and De Witte, 2011). Research investigating both perceived internal quantitative and qualitative employability is scarce (see De Cuyper and de Witte, 2010, 2011 for an exception).

## 3. Hypotheses

Figure 6 depicts the research model tested in this article. In what follows, we work out the different hypotheses in more detail.



**Fig. 6.** Research model

### *3.1. Perceived internal quantitative and qualitative employability and missing a promotion*

We assume that employees with high perceived internal employability are more likely to miss a promotion, and that this likelihood is stronger for a missed promotion/negative. Moreover, this hypothesis holds for both perceived internal quantitative and qualitative employability, but we expect the impact of perceived internal qualitative employability on a missed promotion to be stronger.

First, we expect that employees with high perceived internal quantitative and qualitative employability are more likely to pursue or expect a promotion than employees with low perceived internal quantitative and qualitative employability, and therefore run a higher risk of missing one. An explanation can be found in the self-verification theory (Swann, 1983, 2011) which suggests that people are prone to seek out opportunities that verify or reinforce their self-views (see Swann, 2011, for an overview). So employees may look for opportunities that verify or reinforce their perceived internal quantitative and qualitative employability, and hence may pursue more ambitious career opportunities, like a promotion (Chen & Klimoski, 2003; McNatt & Judge, 2004). Another explanation is that high perceived internal quantitative and qualitative employability reflects one's confidence in getting another or a better job within the current organization. This confidence may stimulate to set higher career goals, such as anticipating a promotion (Bandura, 1986; Lent et al., 1994; Locke & Latham, 1990). Since only a limited share of employees who pursue a promotion are awarded one (Kaplin & Ferris, 2001) the risk of missing a promotion is high. Previous research has already shown that when people perceive more opportunities, they tend to have higher expectations that are difficult to meet, and because of that, they are more likely to end up disappointed or disillusioned (Grant & Schwartz, 2011; Milam et al., 2004). Employees with low perceived internal quantitative and qualitative employability, on the contrary, may be less likely to expect a promotion and may, therefore, also be less likely to miss one.

Next, we believe that the effect of perceived internal quantitative and qualitative employability on a missed promotion/negative will be stronger than on a missed promotion/not negative. Based on cognitive dissonance theory, we believe that when employees with high perceived internal quantitative

and qualitative employability do not realize an anticipated or desired promotion, it is more likely that they will experience this in a negative way. When employees with high perceived internal employability miss a promotion, they experience a cognitive discrepancy between their expectation (i.e., their belief of easily finding another or a better job) and the reality they are faced with (i.e., the experience of a missed promotion). This discrepancy is likely to cause an uncomfortable or negative psychological state known as cognitive dissonance (Cooper, 2007; Festinger, 1957). In the same way, the self-verification theory states that negative thoughts are aroused if individuals are not validated in their self-view (e.g., Burke & Stets, 1999; Swann, 1990; Swann, Polzer, Seyle, & Ko, 2004). Accordingly, we hypothesize:

*Hypothesis 1.* Perceived internal quantitative employability relates positively to a missed promotion, and this relationship is stronger for a missed promotion/negative.

*Hypothesis 2.* Perceived internal qualitative employability relates positively to a missed promotion, and this relationship is stronger for a missed promotion/negative.

In addition, we believe that the effect of perceived internal qualitative employability on the likelihood of missing a promotion will be stronger than that of perceived internal quantitative employability. Since employees with high perceived internal qualitative employability feel highly confident in their ability to get a *better* job with the current employer (De Cuyper and de Witte, 2011; Kossek, Roberts, Fisher, & Demarr, 1998), they may have higher promotion expectations than employees with high perceived internal quantitative employability, and therefore run an higher risk of missing one. This leads to the following hypothesis:

*Hypothesis 3.* The relationship between perceived internal qualitative employability and a missed promotion is stronger than the relationship between perceived internal quantitative employability and a missed promotion.

### *3.2. Missed promotion and perceived internal quantitative and qualitative employability*

We expect a negative relationship between a missed promotion and both perceived internal quantitative and qualitative employability, and we expect this relationship to be stronger for a missed

promotion/negative. Moreover, we assume that the effect of a missed promotion on employees' perceived internal qualitative employability will be stronger than on employees' perceived internal quantitative employability.

Firstly, theoretical support for the assumption that a missed promotion reduces employees' perceived internal quantitative and qualitative employability can be found in the social cognitive career theory (Lent & Brown, 1994). This theory suggests that people's self-efficacy concerning a particular behavior is strongly affected by past experience with that behavior. Accordingly, we assume that people will feel more certain about their ability to make a job transition (i.e., perceived internal employability) when they have successfully made a job transition, such as a promotion. In contrast, employees who missed a promotion, will feel less confident about their ability to do so in the future. Indirect support for this hypothesis can be found in several studies. Wanberg, Zhu, and van Hooft (2010), for instance, showed that job seekers who experienced a lack of job search progress reported less reemployment confidence. Also, McIlveen, Burton, and Beccaria (2013) showed that university students who were less satisfied with their academic progress reported lower career optimism. Finally, failure to progress goals has been shown to be related to lower self-efficacy (Tolli & Schmidt, 2008) and poorer self-ratings of ability (Bandura & Schunk, 1981; Lemyre, Hall, & Roberts, 2008). Another explanation is based on Festinger's (1954) social comparison theory which describes an individual's tendency to compare oneself with others to generate self-evaluations of one's own abilities (Gibbons & Buunk, 1999). Promotions are important means of such comparisons (Ng, Eby, Sorensen, & Feldman, 2005; Mumford, 1983). Social comparisons with another employee who is doing better – in this case employees who have made promotion - can highlight one's perceived value inside the organization (e.g., Buunk, Collins, Taylor, VanYperen, & Dakof, 1990; Collins, 1996; Pelham & Wachsmuth, 1995; Schaubroeck and Lam, 2004), and may thus result in negative self-evaluations regarding one's internal employability. For these reasons, we expect a negative relationship between a missed promotion and perceived internal quantitative and qualitative employability.

Furthermore, we believe this negative relationship to be stronger for a missed promotion/negative. Research has shown that employees are impelled to reduce the dissonance caused by events that are experienced in a negative way (Aronson & Carlsmith, 1962; Elliot & Devine, 1994), or when they feel personally responsible for the mistaken expectation (Cooper & Fazio's, 1984). The most common way to do so is by changing their attitudes or self-perceptions ("I guess it is harder to find a new or better job than I thought"; Brehm & Cohen, 1962; Gibbons, Eggleston, & Benthin, 1997; Linder, Cooper, & Jones, 1967). Thus, when employees experience the missed promotion in a negative way, they are more encouraged to reduce the dissonance, and therefore to lower their perceived internal quantitative and qualitative employability.

*Hypothesis 4.* A missed promotion relates negatively to perceived internal quantitative employability, and this relationship is stronger for a missed promotion/negative.

*Hypothesis 5.* A missed promotion relates negatively to perceived internal qualitative employability, and this relationship is stronger for a missed promotion/negative.

Moreover, we believe that the effect of a missed promotion on employees' perceived internal qualitative employability will be stronger than on employees' perceived internal quantitative employability. For employees with high perceived internal qualitative employability, missing a promotion can be seen as a disconfirmation of their expectations (because these employees held high promotion expectations), which may induce a disappointment effect (Schaubroeck and Lam, 2004). This effect is consistent with the unmet expectations hypothesis that suggests that the difference between experiences and expectations will influence employees' attitudes and behaviors (e.g., Porter & Steers, 1973; Wanous, Poland, Premack, & Davis, 1992). An unmet expectation can be perceived by employees as an indication of lacking control in pursuing their career-related goals (Maden, Ozcelik, Karacay, 2016). In the case of perceived internal qualitative employability, an unmet expectation can be perceived that one lacks control in finding a better job with the current employer, and may thus primarily diminish their confidence in finding a better job in the future. Accordingly, we hypothesize:



*Hypothesis 6.* The relationship between a missed promotion and perceived internal qualitative employability is stronger than the relationship between a missed promotion and perceived internal quantitative employability.

## **4. Method**

### *4.1. Procedure*

We tested our hypotheses using data collected in nine medium sized and large Belgian organizations in diverse sectors at two points in time with a time lag of six months. Two organizations belong to the industrial sector, four to the service sector and three to the public sector. In all organizations, access to the pool of workers was facilitated by the Human Resource Department. Participation in the survey was voluntary. Participants could fill in the questionnaire (online or on paper) either at work or at home. Participants were assured of the anonymity and confidentiality of the data in the introduction to the questionnaire. In each wave, up to two reminders were sent. The time lag of six months between the subsequent waves was inspired by de Lange and colleagues (De Lange, Taris, Kompier, Houtman, & Bongers, 2005), who underline the need for longitudinal studies in the domain of work psychology with time lags shorter than one year. A time lag of six months leads to sufficient variation in career outcomes, while reducing drop out owing to invalid email addresses; a risk that is substantially higher with longer time lags.

The first data collection (Time 1) took place between January and March 2013. At Time 1 2782 of the 4981 invited employees responded to the survey (response rate of 56%). All of them received an invitation to participate in the second wave of this data collection. The second data collection (Time 2) took place between October and November 2013. In total, 1227 employees returned a questionnaire, yielding a response rate of 44% relative to Time 1 respondents. The final sample for the main analyses comprised participants who provided complete information on the study's variables in both waves and who had at least one year of work experience. The sample contained 934 employees. The mean age was 41 years ( $SD=10$ ) and the mean organizational tenure was 12 years ( $SD=10$ ), and mean job tenure was 7

years ( $SD=8$ ). Slightly more women (54 %) than men (46 %) participated. About 78% of the respondents had a full-time job and only 3% were employed with a temporary contract. With regard to the different levels of education, the majority of the respondents had a bachelor's (39%) or master's degree (22%); 39% held a lower degree. Most respondents (84%) were white collar workers.

To determine whether attrition might have biased the representativeness of our sample, we used multiple logistic regression analyses to test whether participation at T2 was predicted by the following study variables assessed at Time 1: perceived internal quantitative employability, perceived internal qualitative employability, a missed promotion/negative and a missed promotion/not negative, and the demographics age and gender (Goodman & Blum, 1996). We found that there were no differences on the majority of study variables between respondents and non-respondents at T2 except for gender. Women are slightly overrepresented in the sample that participated in both waves. Hence, the attrition is not fully random.

#### *4.2. Measures*

*Perceived internal quantitative and qualitative employability.* Perceived internal quantitative and qualitative employability were measured at Time 1 and Time 2 with the two four-item scales of De Cuyper and De Witte (2010). Employees had to rate their agreement with each of the items on a scale from 1 (strongly disagree) to 5 (strongly agree). A sample for perceived internal quantitative employability is: "I am optimistic that I would find another job with this employer, if I looked for one". The Cronbach's alpha was 0.91 at Time 1 and 0.93 at Time 2. A sample for perceived internal qualitative was: "I am optimistic that I would find a *better* job with this employer, if I looked for one". The Cronbach's alpha was 0.92 at Time 1 and 0.94 at Time 2.

*A missed promotion.* Our measurement of a missed promotion is based on Burton and colleagues (Burton et al., 2010) measurement of work-related shock events. To assess a missed promotion, we asked the respondents whether or not they had experienced a missed promotion in the past six months, and whether or not they had experienced it in a negative way. For this study we coded 2 categories: one if the employee rated the missed promotion negatively, and one if the employee rated

the missed promotion not negatively. Employees who didn't experienced a missed promotion were used as the reference category.

*Control variables.* We tested a research model including control variables that might affect the above postulated relationships. When we included gender (0 = male; 1= female), education level (0 = academic degree; 1 = no academic degree) and age (in years) as socio-demographic control variables, and organization size (0= less than 250 employees; 1= more than 250 employees) and sector as contextual factors, the results remained the same but the fit indices became worse. Therefore, the model without control variables was chosen.

#### *4.3. Statistical analysis*

First, the measurement model was tested for longitudinal measurement invariance as a precondition to examine subsequent models (cf. Meredith & Horn, 2001; Vandenberg & Lance, 2000). Next, our hypotheses were tested by means of longitudinal structural equation modeling (cf. Cole & Maxwell, 2003; Zapf, Dormann, & Frese 1996) in a two-wave cross-lagged panel design (time-lag of 6 months). Several nested structural models were tested and compared. We first examined the stability model, which included the autoregressive effects over time of each latent variable. This model is used as the reference model. Next, the structural model with perceived internal quantitative and qualitative employability both as antecedents and outcomes of a missed promotion/negative and of a missed promotion/not negative was tested. As a standard setting in structural equation modeling, we allowed synchronous correlations between the latent variables in all tested models. Moreover, the error terms of each indicator at T1 were allowed to covary with the corresponding indicator at T2 (Anderson & Gerbing, 1988; Burkholder & Harlow, 2003).

Finally, to examine whether the strength of effects of a missed promotion/negative and a missed promotion/not negative significantly differs (see hypothesis 1, 2, 4 and 5), we tested a model in which equal path coefficients were imposed (e.g., path from perceived internal quantitative employability to a missed promotion/negative and that from perceived internal quantitative employability to a missed promotion/not negative). In the same way, we tested a model in which equal path coefficients for

perceived qualitative and perceived quantitative employability were imposed (e.g., path from perceived internal quantitative employability to a missed promotion and that from perceived internal qualitative employability to a missed promotion). This allows us to test whether the strength of effects of these two types of perceived internal employability varies or not (see hypothesis 3 and 6).

For overall model evaluation, we relied on the comparative fit index (CFI), the Tucker–Lewis index (TLI), and the root-mean square error of approximation (RMSEA), and standardized root mean square residual (SRMR) (Hu & Bentler, 1999). Indications of good model fit are CFI and TLI values larger than .90 (Hu & Bentler, 1998), RMSEA and SRMR values respectively below .08 and .10 (Byrne, 2001; Vandenberg & Lance, 2000). For model comparisons, we relied on the chi-square difference test (Bentler & Bonett, 1980).

## 5. Results

### 5.1. Descriptive statistics

Means, standard deviations, and correlations of the studied variables are displayed in Table 7. Perceived internal quantitative and qualitative employability are positively correlated within and across both points in time. Only significant relationships were found between perceived internal quantitative and qualitative employability and a missed promotion/negative. The correlations, however, were not in the expected direction.

**Table 7.** Descriptive statistics and correlations among the study's variables

	M	SD	1	2	3	4	5
1. Perceived internal quantitative employability T1	2.60	0.87	—				
2. Perceived internal qualitative employability T1	2.33	0.77	0.81***	—			
3. Perceived internal quantitative employability T2	2.50	0.90	0.59***	0.47***	—		
4. Perceived internal qualitative employability T2	2.27	0.79	0.51***	0.50***	0.84***	—	
5. A missed promotion/negative T1-T2	0.07	0.25	-0.07*	-0.02	-0.10**	-0.07*	—
6. A missed promotion/not negative T1-T2	0.06	0.21	0.03	0.04	0.05	0.02	-0.06

\* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$

### 5.2. Measurement Model

The dimensionality of the perceived internal quantitative and qualitative employability was tested with Confirmatory Factor Analysis (CFA). Correlations between the errors of items with very similar

wordings for perceived internal quantitative and qualitative employability were allowed (see also De Cuyper and De Witte, 2010). The results indicated that the two-factor model explained the data better than the model in which all items loaded on a single factor (see Table 8), supporting the construct validity of the dependent variables. All observed variables had significant loadings ranging from 0.55 to 0.93.

**Table 8.** Results of CFA: fit-indices for alternative factor structures

Model Time 1	$\chi^2$	Df	p	TLI	CFI	RMSEA	SRMR
Two-factor model	142.369	15	<.001	0.98	0.99	0.07	0.02
One-factor model	1572.966	16	<.001	0.78	0.87	0.24	0.05
Model Time 2	$\chi^2$	Df	p	TLI	CFI	RMSEA	SRMR
Two-factor model	72.927	15	<.001	0.99	0.99	0.06	0.01
One-factor model	853.513	16	<.001	0.82	0.90	0.23	0.04

The measurement model was then tested for longitudinal measurement invariance. The chi-square difference test produced a non-significant loss of fit of the constrained model compared with the unconstrained model ( $\Delta\chi^2 = 4,459$ ,  $\Delta df=6$ ,  $p = n.s.$ ), which indicates longitudinal measurement invariance for perceived internal quantitative and qualitative employability.

### 5.3. Structural equation modelling

In a first step, the stability model was estimated with only autoregressive effects and cross-sectional correlations. The fit of this model was adequate,  $\chi^2(123) = 338.936$ ,  $p<.001$ , CFI = 0.99, TLI = 0.98, RMSEA = 0.04, SRMR = 0.05.

In a second step, the two-wave structural model with cross-lagged paths from perceived internal quantitative and qualitative employability to a missed promotion/negative and a missed promotion/not negative, and then again to perceived internal quantitative and qualitative employability (as well as autoregressive paths and cross-sectional correlations) was estimated. Results showed that this structural model fitted the data better than the stability model ( $\Delta\chi^2 (8) = 17.98$ ;  $p<.05$ ). The results of the model comparisons are displayed in Table 9.

**Table 9** Results of SEM

Model	$\chi^2$	Df	p	TLI	CFI	RMSEA	SRMR	Comparison	$\Delta\chi^2$	$\Delta df$	p
Model 0: stability model	338.936	123	<.001	0.98	0.99	0.05	0.05				
Model 1a: full mediation model	320.952	115	<.001	0.98	0.99	0.05	0.05	M0 vs. M1	17.984	8	<.05
Model 2: full mediation model equal paths_H3	326.727	116	<.001	0.98	0.99	0.04	0.05	M2 vs. M1	5.775	1	<.05
Model 3: full mediation model equal paths_H6	321.507	116	<.001	0.98	0.99	0.04	0.05	M3 vs. M1	0.555	1	n.s

Perceived internal quantitative employability predicted a missed promotion/negative, but in the opposite direction than was expected ( $\beta = -.20$ ;  $p < .01$ ), thus not supporting Hypotheses 1. Hypotheses 2 was partially supported, as perceived internal qualitative employability was found to have a positive effect on a missed promotion/negative ( $\beta = .15$ ;  $p < .05$ ), but not on a missed promotion/not negative. Constraining the paths of perceived internal quantitative and qualitative employability to be equal (see hypothesis 3) resulted in a significantly worse model fit ( $\Delta\chi^2(1) = 5.755$ ;  $p < .05$ ). This means that paths differ significantly in strength and that hypothesis 3 is supported.

Furthermore, the results only revealed a significant relationship between a missed promotion/negative and perceived internal quantitative ( $\beta = -0.07$ ;  $p < .05$ ) and qualitative employability ( $\beta = -0.06$ ;  $p < .05$ ). Thus, we partially accept hypotheses 4 and 5. Moreover, constraining the structural relationships between a missed promotion/negative and perceived internal quantitative and qualitative employability did not result in a significant worsening of the model fit ( $\Delta\chi^2(1) = 0.555$ , n.s.). This implies that the strength of effects does not vary significantly and that hypothesis 6 is to be rejected. The path coefficients of the final model are depicted in figure 7.



prediction, however, the results demonstrate a negative effect of perceived internal quantitative employability on the likelihood of a missed promotion/negative. This implies that employees with low perceived internal quantitative employability are more likely to miss a promotion that is experienced in a negative way than employees with high perceived internal quantitative employability. A possible explanation for this unexpected result may be that low perceived internal quantitative employability implies a negative self-view. Employees who see few or no other job opportunities may feel that the continuity of their career within the organization is threatened (De Cuyper & De Witte, 2010, 2011). A unique prediction of the self-verification theory is that people will selectively attend to information that confirms their beliefs about the self, even when such beliefs are negative (see Swann, 2011; Swann, Polzer, Seyle, & Ko, 2004). Hence, motivated to verify their negative self-image, employees with low perceived internal quantitative employability may be more likely to experience a missed promotion/negative. This, however, is not the case for employees with low perceived internal qualitative employability. Low perceived internal qualitative employability does not necessarily imply a negative self-view. A possible reason for employees to perceive no better job opportunities within the organization may be that these employees are perfectly satisfied with their current job.

Second, the results illustrate that a missed promotion/negative reduces employees' perceived internal quantitative and qualitative employability, whereas a missed promotion/not negative has no impact on employees' perceived internal quantitative and qualitative employability. This confirms the idea that employees are impelled to reduce the dissonance caused by a negatively experienced event (Aronson & Carlsmith, 1962), and that they do so by altering their self-perceptions (Gibbons et al., 1997).

### *6.1. Theoretical implications*

Our study contributes to the literature on employability and missed promotion in several ways. First, it seems relevant to distinguish between the quantity and quality of perceived employability (De Cuyper & De Witte, 2011), as both constructs are differently related to employees' experience of a missed promotion. This indicates that perceiving other versus better job opportunities differ significantly in meaning for employees. More theoretical and empirical work is needed to capture the nature of both



constructs and to examine whether both dimensions are also differently related to other potential outcomes such as job mobility, job performance or job satisfaction.

Second, we add to previous research on missed promotions by studying employability perceptions as antecedents. As such, we are able to answer the research question ‘who is more likely to miss a promotion?’. Our results reveal that employees with low perceived internal quantitative employability as well as employees with high perceived internal qualitative employability run a higher risk of experiencing a missed promotion/negative.

Another important finding is that employees tend to seek opportunities and information that confirm their perceived internal quantitative and qualitative employability (i.e., self-verification; Swann, 2011). Whereas low perceived internal quantitative employability stimulates employees to look for information that confirms their poor self-view, high perceived internal qualitative employability motivates employees to look for opportunities that reinforce their positive self-view. Nevertheless, for employees with high perceived internal qualitative employability the outcome may be disappointed.

Finally, only employees’ reports of a negatively experienced missed promotion reduced their perceived internal quantitative and qualitative employability. This suggests that employees’ confidence in making a job transition is affected by their past experience of missing a promotion (Lent & Brown, 1994), but only when the missed promotion is experienced in a negative way.

## *6.2. Practical implications*

Thus far, perceived internal employability has been repeatedly described as an advantage for both the individual and the organization. However, perceived internal employability may also comprise a risk. In particular, employees with high perceived internal qualitative employability seem to run a higher risk of experiencing a missed a promotion/negative. This suggests that the expectations of employees with high perceived internal qualitative employability misaligned with the actual opportunities that exist for them within the organization. Therefore, organizations should attempt to actively manage employees’ career expectations. For example, the HR department and managers need to communicate clearly and precisely about internal career opportunities to avoid unfounded employability perceptions.

Our results also revealed that employees with low perceived internal quantitative employability are more likely to experience a missed promotion/negative. HR managers or career counselors could make these individuals aware of the potential cost of such negative self-views on their careers, and should motivate them to engage in activities that would enhance their employability.

Finally, a missed promotion/negative was found to negatively influence employees' perceived internal quantitative and qualitative employability. Even though organizations can do little to protect individuals from failure and disappointment, it seems important to provide employees an adequate explanation and to treat them with sensitivity after they missed a promotion (Lind & Tyler, 1988). Managers should also be prepared to offer other challenges, like job enlargement or more responsibilities, to keep employees engaged. So, managers may want to monitor employees' perceived internal quantitative and qualitative employability on a regular basis, as this may help the organization to identify employees who run a higher risk of missing a promotion that is experienced in a negative way.

### *6.3. Limitations and future research*

This study has some limitations. First, our study is based on survey data with self-report measures, which are often associated with self-report bias due to e.g., social desirability, negative affect (Spector, Zapf, Chen, & Frese, 2000). This may lead to concerns regarding inflated correlations owing to common-method effects. In this respect, we followed many of the suggestions regarding questionnaire design to reduce the risk related to common-method effects (e.g., underlining the confidentiality of results, instructing respondents that there were no right or wrong answers, encouraging participants' openness; Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Nevertheless, future studies may strengthen the design used in this study by combining self-reports and supervisor-reports of employability. This seems particularly interesting as the perceptions of the supervisor play a key role in the career progress of the employee (van der Heijde, & Van der Heijden, 2006). It may be that employees who are perceived as highly employable by their supervisor are less likely to miss a promotion.

Second, like other affective events, negative self-perceptions engendered by a missed promotion/negative are likely to be short-lived experiences (Suh, Diener, & Fujita, 1996). If indeed a

missed promotion/negative only leads to a temporary change of perceived internal employability, the decrease in perceived internal employability we detected in the time period of six months may disappear when using a longer time lag. Therefore, an area for future research is the development of models with repeated measures of perceived internal quantitative and qualitative employability and missed promotions that enables researchers to examine whether a missed promotion indeed leads to fleeting or enduring changes of perceived employability.

Third, our measure of a missed promotion did not include information on the frequency. It may be that employees are less disappointed when they miss a promotion for the first time than they will after missing a promotion multiple times (Lam & Schaubroeck, 2000).

This study also offers some other interesting avenues for future research. First, it remains unclear why perceived internal quantitative and qualitative employability are differently related to the experience of a missed promotion/negative. For instance, it was not explicitly tested whether employees with high perceived internal quantitative and qualitative employability are actually more likely to pursue promotion opportunities. Accordingly, it could be interesting for future research to include employees' expectations of being considered for a promotion or attempts to get a promotion. Second, based on attribution theory (e.g., Martinko, Harvey, & Dasborough, 2011; Weiner, 1985), it can be argued that the relationship between a missed promotion/negative and employees' perceived internal quantitative and qualitative employability may depend in part on the degree to which the mistaken expectation is attributed to internal factors (such as ability or effort) versus external factors (such as organizational structure). To shed light on this issue, future research could examine whether the relationship is different for employees with high versus low locus of control (Lam & Schaubroeck, 2000). A related suggestion for future research on missed promotions is to adopt multilevel designs. This would help researchers to make inferences about the role of the organizational context, as employees' reactions to missed promotions often depend on the promotion system of an organization (e.g., fairness perceptions) and how the organization responds to employees who experienced a missed promotion (e.g., Kaplan & Ferris, 2001). Although we controlled

for contextual factors such as organization size or sector, future research could examine whether the relationships we investigated are different for different organizations.

## **7. Conclusion**

Unfortunately, the confidence in one's promotion opportunities gained through perceived internal qualitative employability seems unwarranted. Our results indicate that employees with high perceived internal qualitative employability are more confident than they are correct, which leads them to risk a missed promotion. As Fischhoff, Slovic, and Lichtenstein (1977) put it, people are "wrong too often when they are certain that they are right". Missing a promotion, in turn, is perceived as an unpleasant career event, that has negative consequences for employees' employability perceptions in the short term.

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## V. EPILOGUE

The main purpose of this PhD was to identify and empirically test potential risks of employability enhancement. To this end, we performed three empirical studies. In the first study, we examined the employability paradox, i.e., the risks that enhancing employability increases the likelihood that employees leave the organization (De Cuyper & De Witte, 2011; Van der Heijde & Van der Heijden, 2006). We investigated the impact of six development activities, i.e. formal off-the-job and formal on-the-job training, upward and lateral internal job transitions and skill utilization and autonomy, on actual turnover via both employees' perceived external employability and perceived internal employability. The second study investigated whether there is a risk of increasing polarization in the internal labor market between the successful and less successful employees (i.e. Mathew principle; McCracken & Winterton, 2006). We studied reciprocal relationships between two indicators of career success, i.e. career satisfaction and perceived internal employability on the one hand, and individual career management (ICM) and organizational career management (OCM) on the other hand. In the third study, we examined whether high perceived internal employability induces the risk of a missed job transition. We investigated the reciprocal relationship between, on the one hand, perceived internal quantitative and perceived internal qualitative employability, and, on the other hand, a missed promotion/negative and a missed promotion/not negative.

Based on the results of these three empirical studies, we are able to formulate an answer to the three research questions presented in the introduction of this dissertation. In this epilogue, we first summarize the main findings related to the research questions: 'how and to which extent can employability be enhanced?', and 'are there risks associated with employability enhancement?'. Subsequently, we discuss the research question 'who is responsible for employability enhancement?'. We then present the theoretical implications of our findings and reflect on the implications for employees and employers. We conclude with some suggestions for future research on employability enhancement.

### **1. Employability enhancement**

#### *1.1. How can employability be enhanced?*

Based on the employability process model developed by Forrier and colleagues (Forrier, Sels, and Stynen, 2009), we identified three main factors that may affect employees' perceived employability: (1) employability-enhancing activities, (2) the current labor market position and (3) the transitions between labor market positions. The conducted studies shed light on the impact of these different factors on employees' perceived internal and/or external employability.

Surprisingly, the results demonstrate that these three employability enhancing factors only have a limited effect on perceived employability. In our first empirical study, we found that all three factors matter for perceived internal employability: (1) employability-enhancing activities (i.e. formal off-the-job training) , (2) the current labor market position (i.e. skill utilization) and (3) the transitions between labor market positions (i.e. an upward job transition). Remarkably, perceived external employability was only affected by an upward job transition. Because an upward job transition is an observable marker of one's career success (Ng, Eby, Sorensen, & Feldman, 2005; Seibert, Kraimer, Holtom, & Pierotti, 2013), employees may perceive it as a signal of their ability and thus value to other employers. Other employability-enhancing initiatives carried out by the organization only affected employees' perceived internal employability, not their perceived external employability. Possibly, employees perceive these initiatives as a signal that they are valuable to their current employer (Lee, & Bruvold, 2003; Wayne, Shore, & Liden, 1997), but do not believe that these initiatives are strong or exceptional enough to send a signal of their value to other employers.

An issue related to study 1, however, is that the results are based on cross-sectional data, making it impossible to establish the direction of causality. Reversed causality may also play a role. In that case, highly employable employees are more likely to engage in training and career opportunities initiated by their organization, and to be in jobs of good quality (De Cuyper, Bernhard-Oettel, Berntson, De Witte, & Alarco, 2008). The findings of study 2 with longitudinal data already pointed in that direction, revealing that highly employable employees are more likely to engage in ICM, more specifically networking behavior. Career management initiatives (ICM and OCM), however, had no influence on employees' future perceived employability.

Finally, in our third empirical study, we demonstrated that a missed promotion/negative reduces employees' perceived internal quantitative and qualitative employability. Experiencing a missed promotion as negative may induce cognitive dissonance, which may be reduced by lowering their employability perceptions (Gibbons et al., 1997).

### *1.2. To what extent can perceived employability be enhanced?*

Our findings question the malleability of perceived employability. The results with longitudinal data (study 2 and study 3) revealed that perceived employability held high rank-order stability (stability coefficients ranging from .51 to .66) over a 6 months follow-up period. This suggests that employees' perceived employability is quite stable over time, regardless of employability enhancing activities (Sturges, Guest, Conway, & Davey, 2002). Enhancing employees' perceived employability thus seems more difficult than was originally assumed. Support for this finding was also found in earlier studies that applied a longitudinal person-centered approach to perceived employability (Kirves, Kinnunen, De Cuyper, & Mäkikangas, 2014; Mäkikangas, De Cuyper, Mauno, & Kinnunen, 2013). These studies revealed that perceived employability tends to be relatively stable over time for a large majority of employees..

These results may, at least to some extent, relate to our measure of employability. Perceived employability concerns the individual's perception of available job opportunities, either with the current employer (i.e., perceived internal employability) or with another employer (i.e., perceived external employability; De Cuyper and De Witte, 2011; Vanhercke, De Cuyper, Peeters, & De Witte, 2014). So we were not measuring how employees' *actual* employability can be enhanced (i.e. the likelihood that they will actually obtain a new job), but how employees' *perceptions* of being employable can be enhanced. It may for instance be that employability-enhancing activities, like training or networking, will influence employees' actual job opportunities in the labor market, but not their perceptions of these job opportunities.

A possible explanation could be that people have perceived employability set points. According to the set point theory (e.g. Headey & Wearing, 1992), individuals possess a specific level of, in this case,

perceived employability (i.e., the set point), that remains relatively stable over time. Although events, like participation in employability-enhancing activities or a job transition, may lead to a change of this set point, many of these changes are temporary and these activities lose their impact after 3–6 months. In this regard, the study of Mäkikangas et al. (2013) already suggested that changes in perceived employability may occur in a relatively short time. Individuals would thus initially react to events, but then after some period return to their baseline level of perceived employability. If true, this would imply that the increase in perceived employability, for instance after formal-on-the-job training (see study 1), is temporary and may disappear after 3-6 months (Headey & Wearing, 1989). The same may count for a reduction in perceived internal employability after a missed promotion/negative (see study 3). Moreover, set point theory may explain why we did not find an effect of internal ICM and OCM in study 2. Indeed, perhaps the time lag of six months was too long to observe potential temporal effects of internal ICM and OCM on perceived employability.

Another explanation could be that perceived employability is indeed a relatively stable construct because it is mainly based on personality characteristics (e.g., optimism, see Kirves, Kinnunen, & De Cuyper, 2013). Perceived employability shows similarities with constructs such as optimism, self-esteem and self-efficacy (Berntson, Näswall, Sverke, 2004; Fugate, Kinicki, & Ashforth, 2004, Kirves, Kinnunen, & De Cuyper, 2015), which strengthen the idea that perceived employable is a relatively stable characteristic and raises questions on the role of personality in understanding perceived employability. It may be that some employees are more optimistic about their labor market opportunities than others, even under the exact same career circumstances. This would imply that an individuals' baseline level of perceived employability also depends on the specific person and their personality, and not only on their actual job opportunities in the labor market.

Finally, it could be that employees' perceived employability is mainly determined by factors that remain relatively stable on the short term (e.g., economic climate, demands in the labor market, structure of the internal labor market). For example, structural factors, such as the organization (large or small organization) or the industry (declining or growing), the economic climate (economic recession or



growth) or labor market segregation (i.e. job opportunities may be lower for some occupational and demographic groups), are assumed to affect the employee's perceptions of job opportunities (Forrier et al., 2009). Such structural factors do not easily change over a short period (McQuaid & Lindsay, 2005; Thijssen, Van der Heijden & Rocco, 2008), and hence may limit the effect of training or networking on an individuals' employability perceptions. For example, someone who developed valuable employability competencies through training may still feel unemployable due to today's poor economic climate. So structural factors may set boundaries to employees' improvement in perceived employability and thus to the effectiveness of employability investments.

### *1.3. Are there risks associated with employability enhancement?*

Thus far, perceived employability has been repeatedly described as an advantage for both the individual and the organization. However, perceived employability may also comprise risks, casting doubt on whether or not to enhance employees' employability. The conducted studies tap into three potential risks, namely the risk that perceived employability enhances the likelihood of (1) turnover (i.e. the management paradox), (2) polarization (the Mathew principle), and (3) a missed job transition (i.e. a missed promotion).

*Turnover: Does perceived employability induce employee turnover?* Enhancing employees' perceived employability does not necessarily induce a turnover risk. As expected, only the enhancement of perceived external employability increases turnover (i.e. the management paradox; De Cuyper & De Witte, 2011; Van der Heijde & Van der Heijden, 2006). Presumably, employees with high perceived external employability feel they can replicate their current situation with another employer, which motivates them to leave the organization for another job with another employer (De Cuyper & De Witte, 2011). High perceived internal employability, however, was not likely to influence turnover. This finding challenges conceptual turnover frameworks which have treated perceived internal employability as a retention-stimulating mechanism for quite some time (e.g., Kammeyer-Mueller, Wanberg, Glomb, and Ahlburg, 2005; Steel & Landon, 2011). Perhaps, the relationship between perceived internal employability and turnover intention may be contingent upon perceived external employability (Trevor,

2001). An employee who perceives better alternatives with other employers, may be impelled to withdraw from the organization only if s/he perceives few internal job alternatives (Steel and Landon, 2010).

*Polarization: Does perceived employability lead to an unequal distribution of employability investments?* We found that mainly the employees with high perceived internal employability are participating in ICM, instead of those who particularly need it. Employees with high perceived internal employability, however, did not receive more OCM from their organization. Results further showed that employers mostly invest in the careers of employees who were satisfied with what they already achieved in their career. These results suggest that individuals seem to be directed by the opportunities they perceive in the future, while organizations rely more on proven accomplishments in the past. Overall, we can conclude that not all employees are equally likely to engage in investments to enhance their own employability, nor to receive employability enhancing opportunities from their organization. Whereas ICM and OCM depend on the success status of the employee, both ICM and OCM are in the short term not likely to further increase this success.

*A missed job transition: Does perceived employability increase the risk of a missed promotion?* The results also revealed that perceived employability may entail a risk of negative career experiences, i.e. encountering a negative experience because of a missed promotion. More specifically, employees with high perceived internal qualitative employability were more likely to experience a missed promotion/negative, whereas employees with high perceived internal quantitative employability were less likely to experience a missed promotion/negative. Perceived internal qualitative employability thus seems to trigger the expectation of being considered for promotion, an expectation which risks to remain unmet. Employees with high perceived internal qualitative employability may thus be over-confident, and are therefore more likely to end up disappointed.

#### *1.4. Who is responsible for employability enhancement?*

Based on our findings, we argue that organizations play a significant role in enhancing employees' perceived employability. The organizational viewpoint is essential in understanding employability enhancement, since organizations still form the context in which most careers take place

(Eby, Allen, & Brinley, 2005; Sturges et al. 2002). Offering employability enhancing activities, however, is not sufficient for organizations to enhance their employees' perceived employability. Organizations need employees that are willing and motivated to participate in these activities (Van Dam, 2004). Furthermore, if individuals wish to ensure their employability both in the internal and external labor market, they are expected to initiate some career self-management behaviors, such as monitoring job advertisements and building contacts (Hall & Moss, 1998), independent from their current organization. Nevertheless, our findings (study 2) indicate that employees activities aimed at managing their career inside the current organization (i.e. internal ICM) do not enhance their perceived internal employability. So stimulating employees to manage their own employability seems less important in the internal labor market.

Moreover, our findings are relevant for justifying government's involvement in the provision of employability investments. Firstly, our study shows that employability is successful in stimulating employees' job mobility, and engagement in ICM, which leads to up-to-date knowledge and skills, and therefore contributes to the realization of a knowledge economy (OECD 2011: 30). Education systems that stimulate employees to develop their own employability as well as a security system that facilitates transitions between jobs, may from this perspective be relevant for perceived employability (EU 2012). Policy makers may try to reduce structural labor market barriers, especially for disadvantaged groups such as older and low educated individuals. Secondly, when employability investments are entirely left to the initiative of employees and employers, some problems may arise. Therefore, we believe that the government (policy) also has a significant role to play (Van Buren, 2003). First, our findings show that not all employees are equally likely to engage in ICM, nor to receive OCM (see results study 2). Government should intervene in the provision of equally accessible employability-enhancing opportunities by developing arrangements for both employers and employees. Project developers could, for instance, stimulate employers to provide each employee with a personal development plan; that makes the enhancement of employability more formalized and explicit. Organizations can integrate these

employability-oriented policies in their career or diversity plans, which is currently cofinanced by the government. This idea argues in favor of the career and diversity plans being retained. Government should also stimulate employees who feel less employable to engage in activities aimed at managing their own career. Employees can already appeal for several government arrangements that cofinance their investments in training or career development (e.g. opleidingschecks, educatief betaald verlof). The purpose of publicly-funded training, however, is not always clear and should be more integrated in labor market policy. Training systems need to ensure that people's skills are up-to-date and meet changing labor market needs. A personalized employment service can be considered, where skills-training is aimed at developing career competencies (e.g. learning how to network, how to develop a career plan and developing more insight in the labor market). Second, the risk may exist that employability investments by the organization are solely directed at employees' internal employability. Organization may want to avoid those practices that enhance employees' perceived external employability because it stimulates turnover. This makes employees more vulnerable and increases their dependence on a specific employer. From an ethical perspective, all organizations, particularly those that are downsizing or reorganizing, should bear some responsibility of their staff's perceived external employability. Therefore, the government should stimulate organizations to invest in general training that may increase employees' external employability. Several initiatives can be taken to inform organizations about the benefits of providing OCM to all employees (e.g. workshops), or to stimulate them to invest in the general employability of their employees (e.g. diversity and career plans).

## **2. Theoretical implication**

*Employability enhancement.* Based on our findings, we argue that both signaling theory (Spence, 1974) and attributional theory (Nishii et al., 2008) are useful when examining the relationship between the development activities and perceived employability. Signaling theory (Spence, 1974) relates to the external labor market, as it states that future employers will mainly rely their recruiting decision upon observable individual activities since employees' actual capabilities are less discernable to them.

Therefore, mainly activities with a strong signaling power to potential future employers will positively influence employees' confidence that they are valuable to other organizations. Therefore, signaling theory can be used to explain the relationship between development activities and perceived external employability. Attributional theory concerns the internal labor market since it relates to attributions employees make about why HR activities exist within their organization. Mainly discretionary development activities, such as skill utilization, are seen as an indication for employees that the employer values them and wants to invest in them, which is likely to enhance the job opportunities they perceive in their organization (Eisenberger et al., 1986). Accordingly, this theory can be used to hypothesize the relationship between development activities and perceived internal employability.

*Risks of perceived employability.* The finding that perceived employability predicts both employees' turnover and career management behaviors aligns with the idea that perceptions are important drivers of behaviors (Katz & Kahn, 1978). This also supports the principle of the Conservation of Resources Theory (Hobfoll, 2001) that individuals with strong resource pools – in this case: high perceived employability (De Cuyper, Raeder, Van der Heijden & Wittekind, 2012) – feel in control, and therefore will seek opportunities to further protect and increase these resources (Hobfoll, 2001). As such, employees who perceive themselves as employable are more likely to make a job transition and to engage in activities aimed at furthering their career. Nevertheless, based on the results of study 3, we can say that perceived employability predicts employees' actions and the career opportunities they decide to pursue, but not always whether they actually obtain career success. Although COR theory predicts that employees are motivated by the desire to protect and obtain additional resources, resources can also be threatened. Hobfoll (2001) claims that people with higher levels of resources will resolve problems and manage threats better than people with lower levels of resources, but not to avoid them. Additionally, based on our findings and those of previous studies, we can argue that perceived external employability will mainly predict employees' attitudes and behaviors in the external labor market, such as turnover intention and external job mobility (De Cuyper and De Witte, 2011; Forrier et al., 2015) or job search behavior (De Vos, Forrier, Van der Heijden, & De Cuyper, 2015), while perceived internal employability is more

strongly related to outcomes tied to the current organization, like internal ICM, internal job mobility (Forrier et al., 2015), or organizational commitment (De Cuyper and De Witte, 2010; Vanhercke et al., 2014).

### **3. Practical implications**

Now that we have discussed the main findings and learning points related to our three research questions, we can reflect on the practical implications of our findings for employees and employers.

#### *3.1. Implications for employees*

*How?* Our study showed that employees can invest in their perceived employability in several ways. First, employees need to participate in activities carried out by the organization, like formal on-the-job training. Second, employees need to make sure that there are enough opportunities to learn in their job. They can, for example, engage in self-monitoring or seek feedback on strength and weaknesses, performance and development needs, etc. Finally, employees have to make job transitions that may enhance their employability in both the internal and external labor market. They can increase the likelihood of being considered for an upward job transition by increasing their performance or engaging in visibility behavior.

*Why (not)?* Investing in perceived employability seems to be important for employees. We found positive associations between the various dimensions of perceived employability and job transitions (turnover), on the one hand, and career self-management behavior (ICM) on the other hand. So when employees have strong faith in their prospects in the labor market, that is, they have high perceived employability, they are likely to feel in control of their careers and able to change the situation when they feel it is necessary. However, high perceived internal qualitative employability may also rise employees' expectations about what they can accomplish and may therefore increase the risk of a missed job transition. So, employees should aim to be realistic in the job transitions they pursue. Holding high expectations may involve a risk because it may not work out the way one had it in mind.

### *3.2. Implications for employers*

*How?* From study 1 we know that employees' perceived external employability is enhanced by antecedents that are different from those of perceived internal employability, which indicates that depending on the outcomes organizations wish to achieve, other employability enhancing opportunities may be opportune. Formal on-the-job training and skill utilization appeared to be the main predictors of perceived internal employability. These factors emphasize the importance of the job itself as a major source of employability enhancement. If organizations want to focus on the job itself as a way to enhance employees' perceived internal employability, HRM practices such as job design or on-the-job guidance by a mentor gain in importance. Providing employees with challenging and varying jobs may create opportunities to learn, and may thus boost their perceived internal employability. Several HR practices weren't effective in enhancing employees' perceived internal employability. We found, for instance, that providing lateral job transitions do not enhance employees' perceived internal employability. Although some lateral career transitions may be perceived as leading to future career opportunities, others may rather imply a career plateau. So if lateral job transitions are provided as a means to develop talent and grow in the organization, this should be clearly communicated to employees. Finally, organizations can provide employees with career advancement opportunities, like upward job transitions (i.e. transitions to jobs with more responsibilities, autonomy or challenge), to enhance their perceived internal and external employability.

*Why (not)?* When organization invest in employees' perceived external employability a turnover risk occurs. This leads to high replacement and training costs for the organization (e.g. Shaw, Delery, Jenkins, & Gupta, 1998). Organizations should thus be aware of this risk and develop retention strategies for employees who move up the ladder. In contrary, investing in employees' perceived internal employability may be beneficial for organizations, in particular because it stimulates employees to proactively manage their career inside the current organization. Perceived internal employability has also been related to other organizational advantages such as employee well-being (De Cuyper, Raeder, Van

der Heijden, and Wittekind, 2012b), organizational commitment and performance (De Cuyper and De Witte, 2011). In addition, our results seem to indicate that it is unwise for the HR department to invest solely in successful employees, as this may create insiders and outsiders. Employees from the outsiders group may feel to be left out, which gives them few grounds to be committed, or to invest in the current organization in the form of performance (Linnehan & Konrad, 1999). If organizations want to avoid this insider-outsider effect, HR managers need to take a proactive role in encouraging supervisors and higher management to provide OCM not only to successful employees, but to all employees. Safeguarding a sense of equity in the organization can downplay the chances of negative reactions among employees. Moreover, the HR department also needs to clearly and precisely communicate internal career opportunities to avoid unfounded employability perceptions that leads to a missed promotion that employees consider to be a negative experience. So, HR managers may want assess their employees' perceived internal employability and/or external employability, and whether they perceive job opportunities in general (quantitative employability) versus better (qualitative employability) job opportunities. This assessment may then provide an impetus for interventions.

#### **4. Challenges for future research on employability enhancement**

*Disentangle the management paradox.* We found confirmation for the management paradox for one activity. Upward job transitions related positively with perceived external employability, which induced turnover intentions and subsequently turnover. This implies that employees' success within the organization makes them confident that they are attractive to other employers. Promotions 'signal' employees' ability and thus their value in the labor market and therefore, the 'most employable' employees are more likely to leave since there is a 'pull' from the labor market. Because these employees are likely to be high performers and are generally more valuable than others to the organization (Trevor, 2001), their turnover is dysfunctional for employers. It thus seems to be risky for organizations to promote employees within the organization. However, providing no promotion opportunities is also no option for organizations since not receiving an anticipated or desired promotion may negatively influence



employees' perceived internal employability (study 3). Therefore, future research needs to unravel how organizations can handle this paradox. In particular, research is needed that examines how organization can invest in employees' perceived external employability, without increasing the risk that these employees leave the organization. (De Cuyper, Mauno, Kinnunen, & Mäkikangas, 2011). As such, researchers should explore possible moderators in the relationship between perceived external employability and turnover. Perhaps strategies that may embed the employee in the organizations, such as flexible work arrangements, mentoring or buddy systems (Mitchell, Holtom, Lee, Sablinski, and Erez, 2001) may help organizations to retain highly employable employees.

*Perceived employability set points: time lag issues.* Future research should explore the possibility that people have perceived employability set points. It might be that employees' perceived employability varies around an individual set point, a personal baseline that remains relatively stable over time. Certain events, positive (e.g. receiving positive feedback, succeeding in a visible challenging project, receiving a pay raise or promotion sooner than expected or receiving an unexpected, attractive opportunity outside of your organization) or negative (i.e. salary adjustment was too low, being assigned to a new job or project for which you did not have necessary skills or abilities) can temporarily move individuals above or below their baseline levels of perceived employability. As the set point theory suggest that changes in perceived employability may be temporary and investments or events may lose their impact after 3-6 months, more longitudinal research is needed that compares results on the effects of employability investments on perceived employability for several time lags (De Lange, Taris, Kompier, Houtman, & Bongers, 2004). For example, shorter time lags (such as 3 months) may reveal effects of the employability investments in predicting perceived employability, whereas longer lags may be needed to examine whether these effects are temporary (like 6 months or a year). This would enable researchers to identify which time lag yields the strongest effects of employability investments on the perceived employability.

Nevertheless, we still believe that sometimes, individuals' long-term levels of perceived employability – thus their perceived employability set points – may change because of strong alterations in life circumstances, such as unemployment. Moreover, it may be that perceived employability

accumulates slowly but surely over the course of employees' career. Also changes in contextual factors are difficult to study and only observable on the long term (e.g. economic climate). This leads to the suggestion that longitudinal research on perceived employability should be fairly long. Future research should use a follow up period of several years instead of only one.

In conclusion, we believe that repeated measures over a long period of time are needed to disentangle short-term shifts from long-term changes in perceived employability, and to estimate the degree of long-term stability that might be hidden by momentary influences.

*Heterogeneous change in employability.* Our study focused on the general stability or change of perceived employability over time that occurs in the total group (i.e., variable-centred approach), thereby ignoring possible individual differences in the development of perceived employability. By way of contrast, the basic assumption in the person-centred approach is that the population is heterogeneous in terms of the investigated phenomenon and its change (Mäkikangas, Bakker, Aunola, & Demerouti, 2010; Mäkikangas, Hyvönen, Leskinen, Kinnunen, & Feldt, 2011; Mroczek, Almeida, Spiro, & Pafford, 2006). Heterogeneous change in perceived employability would imply that some individuals change, whereas others do not, and the pattern of change varies across individuals (see Mroczek, et al., 2006). It seems interesting for future research on employability enhancement to identify different groups of individuals who follow a similar pattern of mean level stability or change in perceived employability over time. It may be that employability investments (e.g. ICM, OCM) play a different role in the development of perceived employability for different subgroups of individuals. Person-centered methodology (i.e., cluster analysis, latent class analysis, and growth mixture modelling) provides a suitable tool for investigating the heterogeneity of the development of perceived employability.

*The role of contextual factors.* Although we recognize that the perceived employability of individuals is relative to structural opportunities and constraints, we have not tested our research models within and across samples of employees facing different internal and external labor market contexts. First, it may be interesting to study the impact of development activities within different external labor market conditions. We expect development activities to correlate more strongly with perceived employability if

labor demand is high. Second, it is also interesting to study whether the impact of development activities on perceived employability differs for groups facing different internal labor market conditions. For example, development activities may enhance perceived internal employability, particularly in large organizations with possibilities for both lateral and upward transitions, a human resource department and organizational career management practices, such as internal career counselling (Sels & De Winne, 2005). Future research on employability enhancement could also adopt multilevel designs to make inferences about the role of the organizational context. This would help researchers to give a ruling on the role of the organizational context, as perceived employability is often determined by individual characteristics as well as organizational factors, such as the internal labor market structure.

Moreover, it seems worthwhile for future research to further explore the assumption that perceived employability is affected by contextual factors that do not change in the short term. So far, not much is known about the factors that employees take into account when evaluating their employability. Little empirical research exists on whether individuals indeed take into account both their personal capabilities and/or contextual factors when perceiving their employability. Neither do we know which personal and/or contextual factors are being considered and how they impact employees' perceived internal and/or external employability. If we want to identify how to make employees more employable, it seems relevant to gain insight in the extent to which perceived employability is determined by the environment and/or the individual. This provides information on whether interventions should be aimed at changing the environment or the person (or both) when trying to enhance employees' perceived employability. Perhaps more qualitative research methods are needed to clarify the concept of perceived employability and its antecedents.

*The role of supervisor-perceived employability.* All our studies were based on survey data with self-report measures. Future studies on employability enhancement could combine self-reports and supervisor-reports of employability. This seems particularly interesting as the perceptions of the supervisor play a key role in decisions about both employability investments and career transitions (van der Heijde and Van der Heijden, 2006). For example, in study 2 we could expect that supervisor-

perceived employability is positively related to OCM. In study 3, we would hypothesize a negative relationship between supervisor-perceived employability (quantitative and qualitative employability) and a missed promotion. Unfortunately, the paired data we collected from employees and their supervisors were cross-sectional and we had not enough observations when including supervisor-reports into our analyses. Therefore, more research with longitudinal supervisor-rated data of perceived employability is definitely welcomed.

*Other indicators of employability.* Although we initially expected perceived employability to be the most interesting indicator of employability, it has some disadvantages. Perceived employability seems to be rather stable over time, which makes it difficult to detect changes in the construct and questions its usefulness as an evaluation criterion in research on employability enhancement. Therefore, future research on employability enhancement may consider other indicators of employability, such as employability competences, that are thought to be more malleable through training and other employability-enhancing activities.

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